IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
CINEWORLD GROUP PLC, *et al.*,[1]	)	Case No. 22-90168 (MI)
Debtors.	)	(Joint Administration Requested)

DECLARATION OF ISRAEL GREIDINGER, DEPUTY CHIEF EXECUTIVE OFFICER OF CINEWORLD GROUP PLC, IN SUPPORT OF THE DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS

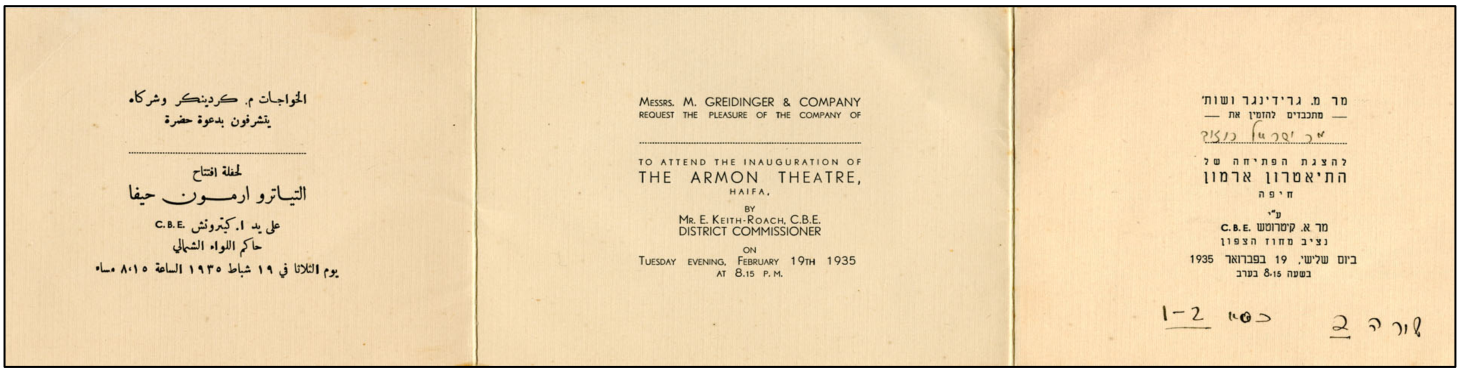
I, Israel Greidinger, hereby declare under penalty of perjury:

1. The Cineworld story begins with eggs—not movies. At the end of the 19th Century, my great-grandfather, Kalman Greidinger, sent my grandfather, Moshe, from Romania to England to escape rising anti-Semitism and help grow the family's egg import business. Three decades later in 1929, my grandparents decided to move with their five children (my father and my four aunts) to Tel Aviv, Israel. "Talking pictures"—the next frontier in filmmaking after silent films—had arrived in Israel just a few years earlier with the release of Al Jolson's *The Jazz Singer*. And Israel, like much of the world, was enchanted with Hollywood. Recognizing the promise of movie theaters, my grandfather decided to diversify the family business and in 1930 he opened his first cinema—the Ein Dor—in Haifa, Israel.

[1] A complete list of each of the above-captioned debtors and debtors in possession (collectively, the "Debtors") in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at https://cases.ra.kroll.com/cineworld. The location of Debtor Cineworld Group plc's principal place of business and the Debtors' service address in these chapter 11 cases is: 8th Floor Vantage London, Great West Road, Brentford, England, TW8 9AG, United Kingdom.

"Cineworld" or the "Group" refers to Cineworld Group plc together with its Debtor and non-Debtor affiliates.

2. While his family's egg import business continued to thrive—and would eventually expand to meat imports, agriculture, cold storage, and shipping—movie theaters became my grandfather's passion. With the first theater a success, my grandfather opened his second—the Armon Theatre—in 1935. True to its name—Armon means "palace" in Hebrew—this 1,800-seat theater became the center of Haifa's entertainment district and, in addition to movies, the Armon routinely hosted the Israel Philharmonic Orchestra and Israeli Opera.


الخواجات م. كردينكر وشركاه
يتشرفون بدعوة حضرة
لحفلة افتتاح
التياترو ارمون حيفا
على يد ا. كيترونش C.B.E.
حاكم اللواء الشمالي
يوم الثلاثا في ١٩ شباط ١٩٣٥ الساعة ٨،١٥ مساء

MESSRS. M. GREIDINGER & COMPANY
REQUEST THE PLEASURE OF THE COMPANY OF
TO ATTEND THE INAUGURATION OF
THE ARMON THEATRE,
HAIFA,
BY
MR. E. KEITH-ROACH, C.B.E.
DISTRICT COMMISSIONER
ON
TUESDAY EVENING, FEBRUARY 19TH 1935
AT 8.15 P.M.

מר מ. גרידינגר ושות'
— מתכבדים להזמין את —
להצגת הפתיחה של
התיאטרון ארמון
חיפה
ע"י
מר א. קיטרוטש C.B.E.
נציב מחוז הצפון
ביום שלישי, 19 בפברואר 1935
בשעה 8.15 בערב

(*The original invitation sent by my grandfather for the opening of the Armon Theatre in English, Hebrew, and Arabic, Feb. 19, 1935*)

3. Over the next 11 years, my grandfather continued to open movie theaters throughout Israel. But in 1946, tragedy struck when he suddenly passed away at the age of 59. Following my grandfather's death, my father Kalman Kenneth—just 22 and attending university in South Africa—was called home to run the family business. He quickly took to the task and continued to expand the business by opening additional theaters throughout Israel, including a 1,500-seat theater in Tel Aviv. And as the movie theater industry continued to evolve from single-screen theaters to multi-theater cinemas, my father opened Israel's first multiplex cinema in 1982.

(*Armon Theatre, Haifa, Israel*)

(*Rav-Chen Multiplex, Tel Aviv, Israel*)

4. Like my father and his father before him, my brother Moshe (who is named after my grandfather and goes by Mooky) and I were always drawn to the theater. By the age of eight, my brother and I were spending our summer vacations working in our family's theaters, holding every job from cashier, to usher, to projectionist. Nearly every Saturday night throughout the year once Shabbat ended, my family would spend the night at one of our theaters—taking in the movies and, just as importantly, hoping for a packed house.

5. With this upbringing, my brother and I were ready to lead our family business when my father stepped aside in the mid-1980s. My brother, eight years my senior, joined the business first as it continued to expand in Israel, and I followed him several years later. Mooky and I grew our family cinema business side by side with our own families—to this day, I still live in our childhood home in Haifa and my brother and his family live in a house right next door.

6. During the 1990s, we grew to be the largest movie theater business in Israel with over 20 multiplexes. At that point, the movie theater market in Israel was fairly saturated, and we therefore had two options: try our hand at new opportunities in Israel or expand our movie theater business into other countries. We decided on the latter, recognizing that opportunity existed in

Central and Eastern Europe, which was ripe for the development of western business following the collapse of communism in that part of the world.

7. In 1997, we opened our first movie theater in Hungary. As our family had done in Israel, we continued to look for opportunities to expand our business in Europe. Over the next nine years, we would travel to Europe nearly every week as we opened new theaters, acquired competing chains, and managed operations. Thanks to these efforts, by 2006 we were the fourth largest movie theater company in Europe. We then decided to take our burgeoning company public on the Warsaw stock exchange under the name Cinema City International.

8. Mooky and I continued to successfully control and operate Cinema City International following its public offering. By this time, my brother and I had become well-known in the industry for our deep expertise as movie theater operators and managers. We also developed key relationships with studios, vendors, landlords, and other industry participants. Professional relationships are crucial in the movie theater industry, and many of the relationships Mooky and I developed through Cinema City International remain critical contacts for Cineworld today. For example, our film distribution business—which dates back to the distribution of Walt Disney films in Israel in the 1950s and has grown to include relationships with Sony, Paramount, and Universal in certain territories—operates one of, if not the most, successful distribution networks in Central and Eastern Europe and Israel. As another example, we first opened the doors for IMAX in Central and Eastern Europe and Israel in the early 2000s. We maintain a close relationship with IMAX to this day and have grown to be the largest IMAX operator in those regions and in all of Europe.

9. In 2014, legacy Cineworld—which was founded by Steve Wiener in 1995 and grew rapidly through, among other things, its acquisition by The Blackstone Group in 2004 and its 2012 purchase of Picturehouse Cinemas—was in need of an experienced management team that could

steward its international expansion following Steve Wiener's planned resignation. My brother and I fit that need and, in February 2014, Cineworld and Cinema City International merged to form the second largest cinema chain in Europe. Given our expertise and relationships in the industry and key emerging markets, my brother and I were appointed to the helm of the combined company following the merger, as Chief Executive Officer and Deputy Chief Executive Officer, respectively.

10. In February 2018, we continued Cineworld's expansion by moving into the U.S. with the acquisition of Regal Entertainment Group (together with its affiliates, "Regal"). The transaction was unanimously approved by the Cineworld board of directors following robust discussion and analysis with the assistance of numerous professional advisors. Over 90% of Cineworld's shareholders voted in support of the transaction. In addition, over 90% of shareholders participated in an equity rights offering for shares in the combined company, which raised over £1.7 billion. As a result of this acquisition, Cineworld was able to access Regal's lucrative U.S. market platform and unlock an array of synergies. These synergies include both cost synergies—including rationalizing business support functions and obtaining other cost savings—and revenue synergies—including expanding loyalty programs to the U.S. market and optimizing online sales. Building on the legacy started by my grandfather and nurtured by my father, we had grown our one-theater family business into the second largest cinema chain in the world.

(*State-of-the-Art Cineworld Theater*)

(*State-of-the-Art Regal Theater*)

11. Seeking to further build our footprint in North America (and based on early success with our Regal acquisition), Cineworld entered into an agreement in principle (the "Arrangement Agreement") in December 2019 to acquire Cineplex Inc. ("Cineplex"), the Canadian cinema company. The transaction was contingent on, among other things, both parties' compliance with certain covenants in the Arrangement Agreement, with the merger intending to form the largest cinema chain in North America and Europe with more than 11,200 screens. The transaction was unanimously approved by Cineworld's board of directors, and over 99% of Cineworld's shareholders voted in support. In June 2020, however, Cineworld terminated the Arrangement Agreement, resulting in litigation that remains ongoing in Canada.[2]

12. 2020 was set to be a year of celebration and reflection on the Group's achievements, as Cineworld marked its 90th anniversary dating back to its 1930 origins. Then the COVID-19 pandemic changed everything. Although virtually no industry was spared the effects of COVID-19, the pandemic wreaked particular havoc on cinemas.

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2 As further described in Part III below, Cineworld terminated the Arrangement Agreement because Cineplex breached a number of its covenants. Cineplex contests the Group's view and filed a lawsuit against Cineworld in July 2021. In December 2021, the Ontario Superior Court of Justice awarded Cineplex CAD $1.24 billion in damages. Cineworld vigorously disputes the judgment and award and has appealed. The details of the lawsuit and appeal are beyond the scope of this declaration.

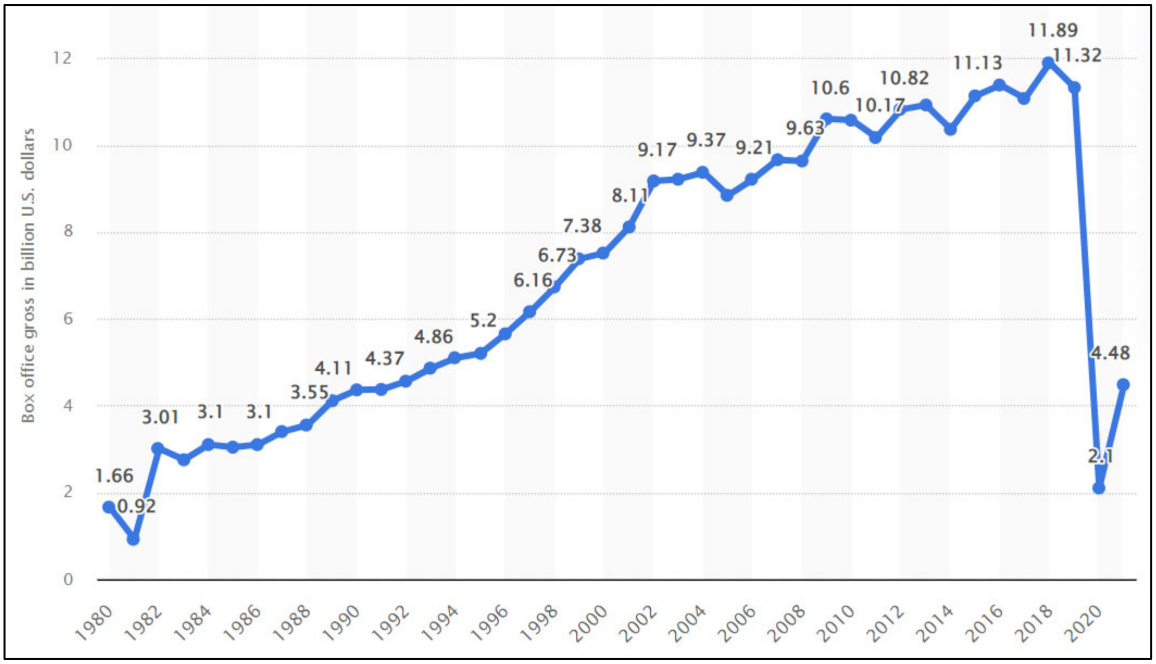
13. Most immediately, the outbreak of the pandemic led to the government-mandated closure of most of the Group's theaters starting in March 2020.[3] The effect on the Group was immediate and devastating. Industry-wide revenue in the U.S. and Canada fell to $2.1 billion, lows not seen for nearly 40 years. As for Cineworld specifically, after selling 275 million movie tickets in 2019, the Group sold only 54.4 million in 2020. The Group, in turn, experienced a deep decline in virtually all key financial metrics.[4] The Group's stock price followed, plummeting from a high of 317.30 GBX[5] in April 2019 to just 24.76 GBX in October 2020. This immediate drop in attendance, revenue, and adjusted EBITDA was just the first of several long-lasting and ongoing effects caused or exacerbated by COVID-19, including a precipitous drop-off in movie production and a significant increase in the distribution of movies and other entertainment content to home entertainment alternatives.

3 For the first time in its 90-year history, Cineworld had no choice but to close the vast majority of its theaters. *See* Andreas Wiseman, *Coronavirus: Cineworld Closes All UK & Ireland Cinemas*, THE VERGE (Mar. 17, 2020), https://deadline.com/2020/03/coronavirus-cineworld-closes-all-uk-ireland-cinemas-1202885264/; Jay Peters, *Regal Cinemas to close all Us theaters until further notice starting March 17th*, THE VERGE (Mar. 16, 2020), https://www.theverge.com/2020/3/16/21182499/regal-cinemas-close-all-us-theaters-march-17th-coronavirus ("The moves follow historically low box office sales this weekend and new White House guidelines issued today to avoid gatherings of more than 10 people.").

4 For example, revenue decreased from $4.37 billion in 2019 to $852.3 million in 2020, an 80.5% decrease, and adjusted EBITDA decreased from just over $1 billion in 2019 to a $313.7 million loss (after lease payments) in 2020, a 130.38% decrease.

5 Stocks traded on the London Stock Exchange are often quoted in pennies sterling, rather than pounds sterling, and are delineated with "GBX." One penny sterling is 1/100 of one pound sterling.

Box Office Revenue in the U.S. and Canada: 1980–2021



(*Source: Statistica*, https://www.statista.com/statistics/187069/north-american-box-office-gross-revenue-since-1980/)

14. Just two years before the outbreak of the pandemic, the Group had taken on $4.1 billion of debt to fund the Regal acquisition. Pre-pandemic indications were that this investment was a resounding success. Indeed, by the end of 2019, the Group had achieved $190 million in synergistic benefits—outpacing its $100 million target by 90%. Those synergies helped drive the Group to adjusted EBITDA of over $1 billion in 2019. But the pandemic stopped these positive developments in their tracks and made it impossible for Cineworld to manage its debt as planned. Though the Group paid down almost ***$600 million*** of the Regal acquisition debt in 2019 alone,[6] the pandemic meant that the Group's growth-oriented capital structure was no longer aligned with its ongoing fixed costs and reduced cash flow generation from operations.

6 At year-end 2019, in advance of the onset of the pandemic, Cineworld's total funded debt was approximately $3.68 billion and its net debt to last twelve months EBITDA was 3.4x. For comparison, Cineworld's largest competitor AMC had total funded debt of approximately $4.91 billion and net debt to last twelve months EBITDA of 6.0x.

15. As Cineworld's largest shareholders, my brother Mooky and I both personally suffered heavy financial losses following the outbreak of COVID-19.[7] These losses have continued through today. From Cineworld's peak share price in April 2019 to present, the Greidinger family has lost more than $1 billion, the overwhelming majority of the Greidinger family's net worth. It has been a painful one-two punch for Mooky and me to see the impact that Cineworld's struggles have had on our shareholders and our approximately 30,000 employees and to watch the legacy of our grandfather and father so severely diminished by the effects of the pandemic.

16. That is not to say that Cineworld has not tried everything to navigate the pandemic and mitigate both its immediate and lasting effects. Recognizing the need to shore up its liquidity position, the Group's board of directors (the "Board")—including five independent directors and a non-executive chair at the Cineworld Group plc level[8]—and management took numerous proactive measures in 2020. Among other things, Cineworld implemented several critical cost-saving and liquidity-enhancing initiatives, including (a) furloughing the majority of its global workforce,[9] (b) negotiating long-term rent deferrals, rent abatements, and new lease agreements with its landlords, (c) closing certain underperforming cinemas, (d) negotiating with key suppliers to reduce costs and implement payment plans, (e) deferring board and executive compensation payments; (f) curtailing capital expenditures, (g) suspending dividends, and (h) accessing

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[7] Our family beneficially owns 275.7 million ordinary shares in Cineworld (representing 20.08% of the total issued share capital of the Group). In addition, as of the end of 2021, I owned 899,938 ordinary shares in my individual capacity and Mooky owned 1,313,173 ordinary shares in his individual capacity.

[8] As further discussed herein, in advance of the Group's chapter 11 filing, three additional experienced independent directors were appointed to certain of the Group's subsidiaries to aid with the assessment and implementation of potential restructuring alternatives and related matters.

[9] Although these furloughs provided essential temporary relief, not all employees returned to work when cinemas later reopened. Indeed, to attract a workforce to operate the cinemas, the Group had to increase wages, often by 20% and sometimes by as much as 50%, at hundreds of locations.

government grants through the U.S. CARES Act and otherwise working with government bodies across operating regions to obtain relief and establish a safe plan for reopening theaters.

17. In addition, as the effects of COVID-19 came into view, Cineworld began to actively engage with key stakeholders to obtain relief from potential upcoming covenant breaches and incremental financing to bolster the Group's liquidity during the continuing down period. In May 2020, the Group announced that certain lenders under its revolving credit facility agreed to provide (a) a waiver of the upcoming June 2020 net leverage covenant ratio test and an increase of the December 2020 net leverage covenant to 9.0x and (b) an incremental $110.8 million of revolver availability due December 2020. The next month, the Group secured a new $250 million private placement secured debt facility due December 2023 from a group of private institutional investors to be used for the Group's rest of world ("RoW") operations outside of the U.S., U.K., and Ireland.[10]

18. These initial liquidity-enhancing measures were based on the belief that the pandemic—and its effects—would soon begin subsiding. As we now know, the pandemic lingered and worsened and the breadth of public health measures continued to expand. Although Cineworld was able to reopen certain of its theaters from time to time—albeit subject to strict government guidelines, including, among other things, limitations on theater capacity and food and beverage consumption—the challenges to the Group's business only continued to mount and multiply.

19. For example, the Group's plan to open all cinemas in the U.S. and U.K. in early July 2020 was delayed, not because of broad government lockdowns, but as a result of Hollywood studios' decision to postpone the release of several hit films given the uncertainty of audience

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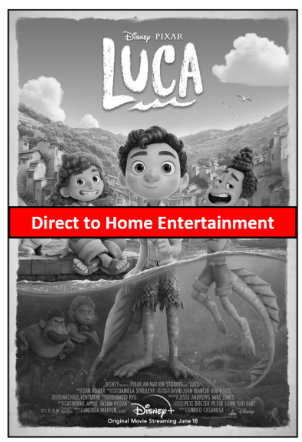
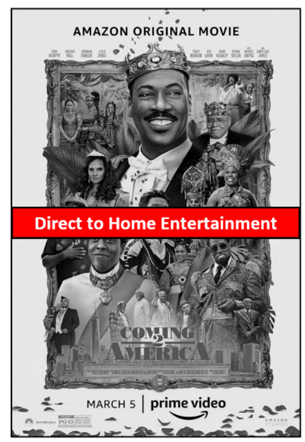
[10] For the avoidance of doubt, all but one of the Group's RoW entities are not Debtors in these chapter 11 cases. Such entities' operations will continue in the ordinary course during the pendency of these chapter 11 cases.

attendance. This caused a devastating cycle where Hollywood studios delayed or cancelled theatrical releases due to the uncertainty of box office performance, and cinemas maintained closures due to the uncertainty of studio releases as much as for COVID-19 health concerns. With no cinemas to release their films, the studios then turned to an alternative outlet—namely, for the first time ever, releasing blockbuster films that typically drive cinema revenue immediately onto home entertainment platforms. Moreover, even when cinemas began to reopen and studios started to release certain movies to theaters again, in many cases, fears of future closures due to COVID-19 led studios to demand that films released in cinemas have only a short theatrical exclusivity window or simultaneous release on home entertainment platforms, reversing decades of industry precedent.[11]





20. By late 2020, the situation had only worsened. Although certain theaters had reopened under strict limitations in the prior months, on October 5, 2020, Cineworld announced

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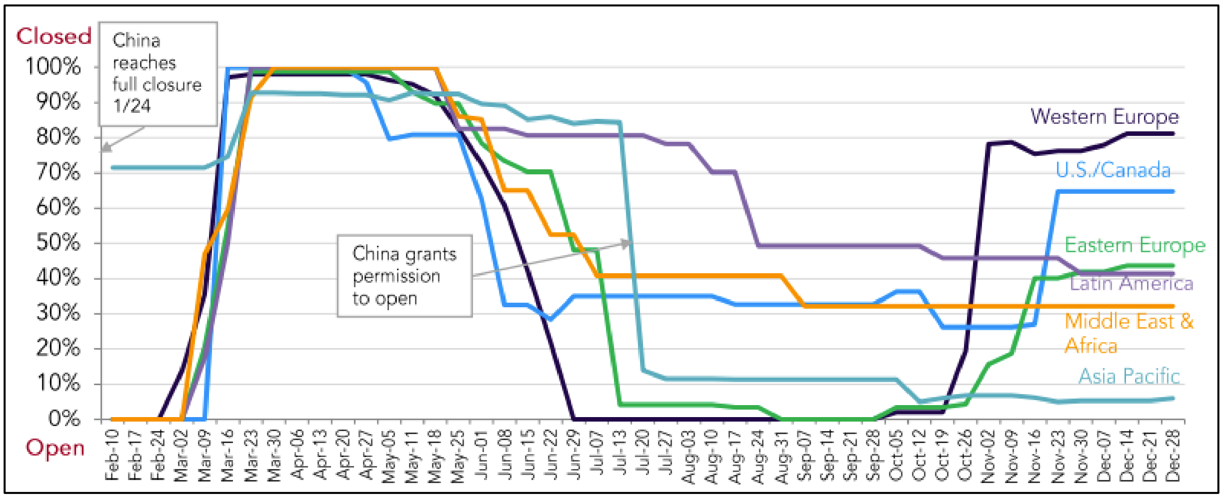
11 *See* Pamela McClintock, *AMC Theatres, Universal Collapsing Theatrical Window to 17 Days in Unprecedented Pact*, THE HOLLYWOOD REPORTER (July 28, 2020), https://www.hollywoodreporter.com/movies/movie-news/amc-theatres-universal-collapsing-theatrical-window-17-days-unprecedented-pact-1304759/ ("The deal — which presently only covers AMC's U.S. locations — shatters the traditional theatrical window, a longstanding policy that has required studios to play their films on the big screen for nearly three months before making films available in the home. The unprecedented move on the part of a mega-exhibitor has far-reaching implications for the film business — particularly amid the ongoing coronavirus pandemic and related theater closures — and is a major coup for Universal.").

the indefinite closure of its full U.S. and U.K. theater portfolio for the *second* time. The decision was made based, in large part, upon a determination that the fixed costs associated with operating the theaters would likely outweigh corresponding revenues in light of the reduced movie slate in the fourth quarter of the year.

Percent of Cinema Screens Closed by Region, by Week in 2020



(*Source: Omdia*, https://www.motionpictures.org/wp-content/uploads/2021/03/MPA-2020-THEME-Report.pdf)

21. As the pandemic dragged on, Cineworld's Board and management recognized that the Group required a more holistic, long-term solution if it was to survive. In the spring of 2020, Cineworld had engaged PJT Partners LP ("PJT"), as investment banker, to assess the Group's strategic options. In the fall of 2020, Cineworld engaged Kirkland & Ellis LLP and Kirkland & Ellis International LLP (collectively, "K&E"), as counsel, to work with PJT on strategic planning and discussions with key lender constituencies. Discussions ensued with (a) certain lenders under the Group's \$462.5 million revolving credit facility, working with FTI Consulting LLP and Sullivan & Cromwell LLP, and (b) certain lenders under the Group's \$3.345 billion term loan facility (the "Ad Hoc Term Loan Group"), working with Arnold & Porter Kaye Scholer LLP and Houlihan Lokey Capital Inc.

22. On November 23, 2020, the Group announced a deal that we believed would provide ample runway to weather the storm in advance of a meaningful industry recovery. As part of that deal, the Ad Hoc Term Loan Group agreed to provide a new $450 million superpriority delayed-draw term loan facility due May 2024 and lenders under the $110.8 million incremental revolving credit facility due December 2020 agreed to extend the maturity of that facility until May 2024.

23. By the end of 2020, Cineworld had raised $810.8 million of additional liquidity. This financing provided Cineworld with the liquidity needed to weather the ongoing storm caused by the pandemic. Cineworld's strategy and efforts initially looked as if they would pay off.

24. This optimism grew stronger in 2021 due to several operational developments. First, at the end of March 2021, the Group announced that it would reopen its U.S. cinemas in April and its U.K. and RoW cinemas in May and June, respectively. Second, the Group reached a key multi-year agreement with Warner Bros. Pictures Group establishing a 31–45-day theatrical exclusivity window for its releases—*significantly* improving upon the 17-day window that had been established earlier in the pandemic. This agreement represented an important win for the industry in light of the direct to home entertainment phenomenon that continued to gain steam during the pandemic.

25. During this time, the Group was also able to secure even more liquidity. This additional liquidity included the March 2021 issuance of a $213 million convertible bond due 2025. Then, in July 2021, the Group secured a new $200 million incremental priming term loan facility due May 2024 from certain existing lenders. Moreover, in September 2021, the Group deferred certain obligations owing under the Regal Settlement Agreement and entered into the Settlement Facility (each as defined herein) to finance such obligations. These new financing

arrangements, together with an expected $200 million in anticipated CARES Act tax refund benefits, meant that Cineworld could bridge a near-term liquidity crisis. In turn, this meant that for much of 2021, the Group was able to focus on returning to normal operations (or at least a "new normal") and delivering the best-in-class entertainment experience its loyal customers had come to expect.

26. But a hoped-for cinema rebound was not to be. The COVID-19 pandemic again threw the industry into disarray when a surge in cases in December 2021—this time caused by the Omicron variant—once more disrupted operations and led to decreased box office sales, with studios choosing to further delay key releases slated for the first half of 2022.[12] These disruptions and decreased sales meant that the Group faced the potential breach of certain upcoming financial covenants under its credit facilities. Among other things, as of the second quarter of 2022, the Group could not comply with the net leverage covenant ratio set forth in its revolving credit facility and was unable to pay down the facility. Accordingly, in May 2022, certain lenders under the revolving credit facility retained advisors to engage in discussions with the Group and its advisors.

27. Cineworld, with the assistance of its advisors, repeatedly sought to again engage with the Ad Hoc Term Loan Group and other lender constituents and potential financing sources in 2022. These parties, however, were either unable or unwilling to provide additional financial flexibility and runway to Cineworld. For example: (a) in January 2022, the Group requested $250 million in new priming financing from certain existing lenders, which was rejected; (b) in

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[12] *See, e.g.*, Naman Ramachandran, *Warner Bros. Postpones U.K. Release of Colin Firth's 'Operation Mincemeat' as Omicron Soars*, IMDB (Dec. 14, 2021), https://deadline.com/2022/01/universal-delays-cyrano-uk-release-omicron-continues-surge-1234905259/; Tom Grater, *AMC Theatres, Universal Delays 'Cyrano' UK Release As Omicron Continues Surge*, DEADLINE (Jan. 6, 2022), https://www.imdb.com/news/ni63489628.

February/March 2022, the Group negotiated a $70 million third-party rest of world loan add-on from certain existing lenders, but the Ad Hoc Term Loan Group was unwilling to provide required consent to permit the financing; and (c) in May/June 2022, the Group renegotiated the terms of the Settlement Facility (as defined herein) to extend its maturity by three months, which amendment was never approved by certain existing lenders.

28. Additionally, throughout 2021 and 2022, Cineworld, with the assistance of its advisors, explored other potential opportunities in addition to its primary focus on raising incremental financing. These efforts included assessing an array of potential strategic options, including: (a) a sale of the Group's non-U.S. assets; (b) a merger with a North American counterpart; (c) a SPAC transaction; (d) an equity raise in the United Kingdom; and (e) a potential secondary public listing in the United States. Despite extensive efforts, none of these possibilities proved actionable. And while Cineworld would, of course, have welcomed the liquidity of becoming a "meme stock" like AMC, we were never so lucky!

29. Cineworld's efforts and discussions with financing sources and potential transaction counterparties have continued during the course of this summer. And the overwhelming success of *Top Gun Maverick* in early summer 2022 provided some fleeting hope that the Group might have more runway. But unfortunately, by early August, it became necessary to further assess the Group's liability management strategy because further rescue financing was not available and the Group's liquidity picture had become dire. As of the Petition Date, the Group's liquidity has declined to less than $4 million cash on hand.

30. Ultimately, the Group, with the assistance of its advisors, has determined that it faces an insurmountable mismatch between its cash generation from operations and its balance sheet and fixed costs. Though the crucial liquidity Cineworld obtained through its unrelenting

efforts during the pandemic bought the Group more than two years of continued viability, it also carried with it the burden of increased debt service costs (both due to the additional debt incurred and the higher interest rates associated therewith), strict financial covenants, and deferred liabilities that could be addressed in the ordinary course only through a return to pre-pandemic cash flows. That rebound, however, never materialized. Faced with this reality, Cineworld had no choice but to assess its options and consider a comprehensive deleveraging transaction designed to, among other things, obtain financing to fund the Group's go-forward operations, right-size its balance sheet, and rationalize its theater portfolio.

31. In August 2022, Cineworld—with the assistance of K&E, PJT, and AlixPartners, LLP ("AlixPartners"),[13] which was engaged in August as the Group's financial advisor—reinitiated discussions with the Ad Hoc Term Loan Group. During this time, no other group or party presented the Group with even potentially actionable financing proposals. Weeks of hard-fought, arm's length negotiations between the Group's advisors and advisors to the Ad Hoc Term Loan Group resulted in a framework that will position the Debtors to chart a value-maximizing course in these chapter 11 cases. Specifically, as further described in Part III below, on September 7, 2022, the Debtors and the Ad Hoc Term Loan Group agreed on the terms of a $1.935 billion superpriority senior secured, multi-draw priming term loan facility (the "DIP Facility"), which will be used to (a) fund the Debtors' working capital needs during the pendency of these chapter 11 cases, (b) effectuate the Priming Facilities Refinancing (as defined herein), and (c) complete the RoW Credit Facility Transaction (as defined herein). The DIP Facility also

[13] On September 6, 2022, James A. Mesterharm of AlixPartners was appointed as the Group's Chief Restructuring Officer, responsible for, among other things, liquidity management and financial reporting and management of the administration of these chapter 11 cases. Contemporaneously herewith, the Debtors filed the *Declaration of James A. Mesterharm, Chief Restructuring Officer of Cineworld Group plc, in Support of the Debtors' Chapter 11 Petitions and First Day Motions*.

contains certain case milestones to ensure these chapter 11 cases proceed on an appropriate and efficient timeline. As of the Petition Date, the Debtors are continuing to negotiate with the Ad Hoc Term Loan Group regarding the terms of a comprehensive, value-maximizing restructuring transaction, and will seek to build consensus with key stakeholders across their capital structure.

32. As with its response to the unprecedented challenges it faced each step of the way during the pandemic, Cineworld's actions and planning will enable it to maximize value for its estate, position it for success into the future, and help preserve the family legacy started by my grandfather and grown from generation to generation.

<u>Background and Qualifications</u>

33. For as long as I can remember, I have been immersed in the cinema industry. As noted above, my family has been in the business for over ninety years. Growing up in Israel, at one time or another I held just about every job one can in a cinema. Suffice it to say, I understand and appreciate the incredibly hard work that our approximately 30,000 employees put in every day. And I love and appreciate the happiness and fun that a movie theater experience can bring to families and people from all walks of life in countries across the globe.

34. After graduating high school, I served in the Israeli Army from 1979–1985. During that time, I simultaneously attended Haifa University. After completing my military service and earning a degree in economics, I did not go directly into my family's business. Although I knew I wanted to follow that passion one day, I decided that I would gain valuable experience by trying my hand at something else first. I established C.A.T.S. Limited (Computerized Automatic Ticket Sales) and served as its Managing Director. Combining my cinema experience and educational background with the computer skills I developed in the army, within a few years I grew C.A.T.S. to be a market leader in computerized ticket systems for cinemas across the world. I moved to the U.S. in 1990 to help build C.A.T.S.'s presence in the country. While living there, I gained

extensive knowledge of the U.S. cinema industry (which would later prove very useful as we evaluated and completed the Regal acquisition). In 1992, Wembley plc acquired C.A.T.S., merging it with Wembley's subsidiary Pacer to form Pacer C.A.T.S. Inc. I was appointed as President and Chief Executive Officer of the combined company and served in that role until 1994.

35. In 1994, I finally joined my brother Mooky in the cinema business, and, in 1995, I was appointed Chief Financial Officer, completing my journey from cashier to CFO. I held that position for the next 19 years, where I helped oversee the expansion of the business both within Israel and abroad to Central and Eastern Europe. The business was highly successful in those years. For example, in 2004, Mooky, with the support of the management team, earned the prestigious International Exhibitor of the Year award.[14] I also guided the business through its 2006 initial public offering on the Warsaw Stock Exchange, a monumental achievement for the company and my family.

36. In 2014, Cineworld and Cinema City merged, forming Europe's second-largest cinema chain. My brother and I stayed on to lead the new organization, and in August 2014, I was appointed its Deputy Chief Executive Officer, the role I have occupied ever since. I was also appointed to Cineworld's Board, which I continue to serve on today.

37. In my capacity as Deputy Chief Executive Officer, I work closely alongside my brother Mooky, Cineworld's Chief Executive Officer. In his role, Mooky has direct charge of the Group on a day-to-day basis and is responsible for overall operational performance of the business. Mooky and I (along with the rest of the Cineworld management team) enjoy a good working relationship with and constructive oversight by our Board.

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[14] Members of Cineworld's management team again received the International Exhibitor of the Year award in 2011 in addition to the Global Achievement Award in Exhibition in 2016 and 2022.

38. In my role as Deputy CEO, I support Mooky with the day-to-day management of the Group (mainly focusing on finance and IT) and I am responsible for developing the Group's business channels. As a result of these responsibilities, I am familiar with Cineworld's day-to-day operations, business and financial affairs, and books and records.

39. Also integral to my responsibilities over the past several years, has been my role in helping develop the Group's response to the immense challenges it has faced since the onset of the COVID-19 pandemic, as detailed herein.

40. Besides my work with Cineworld, I have been the Director of Israel Theatres Limited Board of Directors since 1994 and I am the Chairman of the Israeli Friends of Rambam Health Care Campus and participate in other charitable endeavors.

41. My experience working with my brother in the industry we love has been one of the great joys of my life. Guided by our experienced Board, and with the support of our talented management team, we have built a business that we are truly proud of. Along the way, we have developed deep relationships across the industry—with studios, concessions vendors, technology companies, and many other key players. Relationships are crucial in the cinema industry and Mooky and I, and indeed many on the Cineworld management team, have been fortunate to forge connections at every level of the industry over the years.

42. The trust that our industry partners placed in us during this period of unprecedented challenge helped Cineworld remain viable while we hoped for a quicker return to pre-pandemic performance. Although that reality did not materialize, we are confident that our industry partners continue to believe in Cineworld's vision and that the chapter 11 process will position the Group for future success in its next phase. The Group, its Board of Directors, and its management team

are committed to preserving and improving on Cineworld's nearly century-long legacy as "The Best Place to Watch a Movie."

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43. On the date hereof (the "Petition Date"), each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of Texas (the "Court"). Additionally, the Debtors have filed motions and pleadings seeking various types of "first day" relief, which allow the Debtors to meet necessary obligations and fulfill their duties as debtors in possession.

44. Except as otherwise indicated, all facts in this declaration are based upon my personal knowledge, my discussions with the Group's management team and advisors, my review of relevant documents and information concerning the Group's operations, financial affairs, and restructuring initiatives, or my experience, knowledge, and familiarity with the Group's business and operations. I am over the age of 18, and if called upon to testify, I would testify competently to the facts set forth in this declaration.

45. To better familiarize the Court with the Debtors, their business, and the circumstances leading to these chapter 11 cases, this declaration is organized into three sections as follows:

- **Part I** provides a general overview of the Debtors' corporate history and business operations;
- **Part II** offers detailed information on the Debtors' prepetition organizational and capital structure; and
- **Part III** describes the circumstances leading to the commencement of these chapter 11 cases and an overview of the Debtors' prepetition restructuring efforts and proposed path forward in chapter 11.

Part I: Corporate History and Operations

A. Corporate History.

1. Early Origins in Israel and Expansion to Central and Eastern Europe as Cinema City International.

46. Cineworld traces its roots to 1930, when my grandfather Moshe Greidinger opened the Ein Dor cinema in the Hadar neighborhood of Haifa, Israel. My grandfather, an immigrant originally from Romania, was an entrepreneur in the truest sense of the word, with business interests spanning agriculture, imports, shipping, cold storage, and real estate. Despite the global economic downturn of the late 1920s, the investment came at a perfect time. As my brother Mooky has explained, "1929, the year of the Great Depression, was a great year for cinema. During a crisis, it's not a bad idea to go to the cinema for a couple of hours, and forget your troubles."[15] Moshe parlayed his successful investment in the Ein Dor cinema into the opening of the Armon Theatre in Haifa in 1935. The cinema, soon a centerpiece of Haifa's burgeoning entertainment district, boasted 1,800 seats and a retractable roof, hosting the Israel Philharmonic in addition to screening movies. By the time of his death in 1946, my grandfather had laid the foundation for my father to build upon.

47. After my grandfather's passing, my father Kalman Kenneth took over our family's theater business and set out to expand it. Over the next three to four decades, he did just that, growing the business into one of the largest cinema companies in Israel and forming the precursor to today's Yes Planet and Rav Chen cinema brands. His expansion efforts notably included purchasing the Rav Chen cinema in Tel Aviv's iconic Dizengoff Square, which would later

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[15] Tali Tsipori, *UK's Cineworld buys Cinema City for £503m*, GLOBES (Jan. 12, 2014), https://en.globes.co.il/en/article-1000908660.

become the first modern multiplex in Israel. This theater set the industry standard and laid the groundwork for Cineworld's present-day commitment to best-in-class entertainment.

48. My father transitioned out of his leadership role in the mid-to-late 1980s, allowing Mooky to run the company. I joined Mooky in the early 1990s and together we grew the chain to become the largest in Israel. With our business booming in Israel and limited space for further expansion, my brother and I set our sights on the Group's next frontier—international expansion. Recognizing the need for a modern cinema option in Central and Eastern Europe, in 1997 the company expanded under the Cinema City International brand into Hungary, opening a multiplex in Budapest. From there, expansion continued into the Czech Republic in 1999, and Poland in 2000, where the Group opened the region's first IMAX theater.

(*Cinema City Mammut, Budapest – VIP Experience Promotion*)

(*Cinema City Poland – IMAX Promotion*)

49. Having accomplished nearly a decade of growth and success in Central and Eastern Europe, Cinema City International's next big step was its initial public offering on the Warsaw Stock Exchange in 2006. The IPO, which valued the company at $343 million, gave it access to the public markets to fuel its continued growth. That same year, the company expanded into Bulgaria, and the next year the family business returned to Romania. In 2011, Cinema City International acquired Palace Cinemas for $38 million, which provided access to the Slovakian market in addition to further bolstering the company's offerings in the Czech Republic and

Hungary. By the time of its merger with Cineworld, Cinema City International operated 99 multiplexes with 966 screens in seven countries.

2. Cineworld Grows and Merges with Cinema City International, Forming Europe's Second-Largest Cinema Chain.

50. Cine-UK, trading under the "Cineworld" brand name, was founded in 1995 by long-time Warner Brothers Europe executive Steve Wiener. The company opened its first cinema in July 1996 in Stevenage, Hertfordshire, a small town about 27 miles north of London, followed by the opening of cinemas in Wakefield, West Yorkshire, outside of Leeds, and historic Shrewsbury, 150 miles northwest of London. Over the next 7 years, the chain expanded to 34 locations in the U.K.

(*The First Cineworld Theater, Stevenage, Hertfordshire*)

(*Cineworld Acquired Picturehouse Cinemas in 2012*)

51. In 2004, The Blackstone Group ("Blackstone") acquired legacy Cineworld for £120 million and set out to expand its footprint. In 2005, the company became the U.K.'s second-largest theater circuit when it acquired the U.K. and Ireland operations of the French cinema chain UGC, which operated 408 screens across 42 cinemas, for a reported $400 million. Two years later, Cineworld completed its initial public offering on the London Stock Exchange, with Blackstone remaining its largest shareholder. By the time Blackstone sold its remaining stake at the end of 2010, the chain had been modernized, with one-third of its screens upgraded to digital technology instead of traditional film reels. The company was also a market leader in diversified

cinematic offerings, including showing live events, such as opera and ballet, as well as rugby in 3D. In addition, it pioneered the U.K.'s only cinema subscription service, the Unlimited Card, which remains a staple of Cineworld's U.K. operations to this day.

52. The next major milestone for Cineworld was the acquisition of Picturehouse Cinemas ("Picturehouse") in December 2012 for £47.3 million. The 21 Picturehouse locations further diversified the Cineworld chain as Picturehouse catered to an older audience through a carefully curated selection of independent and foreign arthouse films.

53. Following the Picturehouse acquisition, and with Steve Wiener preparing to exit the company, Cineworld was in need of experienced operators to lead its next phase—the international expansion of its growing and thriving business. Cineworld approached me and my brother, given our reputation in Europe and Israel as experienced operators with already well-established relationships across the industry.

54. Ultimately, our experience and industry relationships were two of the main factors that led to Cineworld's February 2014 merger with Cinema City International. As Cineworld's then-chairman Anthony Bloom stated, "Cinema City is an extremely well-run and dynamic business, which creates a platform for further growth in future."[16] Cineworld and Cinema City International merged, with Cineworld paying Cinema City International shareholders just over $828 million in cash and shares, forming the second-largest cinema circuit in Europe with 1,852 screens across 201 cinemas. The deal resulted in Cinema City International shareholders, including the Greidinger family which owned a majority stake, ultimately owning 29% of the combined company. Through the acquisition, Cineworld gained access to the emerging markets

[16] Leo Barraclough, *Cineworld to Merge with Cinema City, Creating Europe's 2nd Largest Exhib Chain*, YAHOO! NEWS (Jan. 10, 2014), https://www.yahoo.com/news/cineworld-bids-buy-cinema-city-creating-europe-2nd-105004599.html.

Cinema City International had cultivated in Central and Eastern Europe. My brother Mooky became Chief Executive Officer, and I was appointed Chief Operating Officer and soon elevated to Deputy Chief Executive Officer.

3. Regal Rises, Falls, and Rises Again, Culminating in Merger with Cineworld to Form the Second-Largest Cinema Chain in the World.

55. As Cinema City International and Cineworld consolidated and expanded overseas, a similar story of growth and focus on best-in-class experience was unfolding in the U.S. cinema market. And, soon enough, we saw our opportunity to expand into the U.S. through the acquisition of Regal.

56. Regal Cinemas was founded by Mike Campbell in 1989. Based in Knoxville, Tennessee, the company opened its first cinema in Titusville, Florida. Regal Cinemas then grew quickly, driven in large part by its strategy of opening large upscale cinemas with premium offerings in suburban markets across the U.S. The company's expansion, like many other cinema chains seeking to achieve economies of scale in an industry with high fixed costs, was catalyzed by a series of small acquisitions. Throughout the mid-1990s, Regal acquired Birmingham-based Cobb Theatres, Baltimore-based R/C Theatres, and Cleveland-based National Theatre Corp.

57. In 1998, Kohlberg Kravis Roberts & Co. and Hicks, Muse, Tate & Furst Inc.—which had purchased Act III Cinemas for $660 million and United Artists Theater Group for $850 million, respectively, in the months prior—agreed to purchase Regal Cinemas in a joint bid for $1.2 billion. The private equity firms combined the three cinema chains, forming the largest cinema chain in the U.S., operating 5,400 screens at 727 theaters in 35 states. As a result of these acquisitions, the combined company held double the market share of its nearest competitor.

58. The merger, however, came on the precipice of mounting industry headwinds. Though the consolidation led to short term revenue gains, cinema chains seeking to out-position

their competitors took on debt to fund the race to build modern multiplexes that would attract bigger audiences and spread fixed costs over more screens. The growth proved unsustainable and resulted in massive upfront costs and an oversaturated market. The increased industry demand also emboldened distributors and other industry counterparts to raise prices, which further increased cinema operating expenses. These challenges were compounded by a period of fewer box office hits and corresponding reduced cash flows, together with rising interest rates. The confluence of factors led to a wave of industry bankruptcy filings in 2000 and 2001, during which 5 of the 7 largest cinema chains in the U.S. succumbed to their unsustainable debt burdens. Regal Cinemas was one of those chains and filed for chapter 11 protection in October 2001.

59. Seeing an opportunity in the months leading up to the chapter 11 filing, billionaire businessman Philip Anschutz and partner Oaktree Capital Management LLC ("Oaktree") purchased a majority of Regal Cinema's outstanding debt. Before the Regal Cinemas bankruptcy filing, Anschutz had purchased United Artists Theatre Group ("United Artists") out of bankruptcy in January 2001, and in May 2001, Anschutz and Oaktree partnered to purchase Edwards Theatres Circuit Inc. ("Edwards") out of bankruptcy. The debt position the partners had accumulated in Regal Cinemas was converted to equity as part of the chapter 11 plan, and Anschutz and Oaktree took control of the reorganized company when it emerged from bankruptcy in January 2002. The United Artists and Edwards chains were combined under the Regal Entertainment Group umbrella, and the new owners set out to take the now-healthy combined business to new heights.

(*Regal Edwards West Oaks Mall in Houston, Texas, is one of 26 Regal locations in the state*)

60. In May 2002, Regal completed an initial public offering. Much like the growth Regal experienced in its early years, the company used the proceeds of the IPO to acquire a number of smaller cinema chains, including the U.S. operations of Hoyts Cinemas in 2003, Signature Theatres in 2004, Eastern Federal in 2005, Consolidated Theatres in 2008, Cinebarre in 2015, and Warren Theatres in 2017. Over this fifteen-year expansion, Regal continuously modernized its technology, replacing traditional projectors with 4K digital projection technology and launching Regal Premium Experience (RPX), a custom-built, premium moviegoing experience.

61. By the end of 2017, Regal generated over $3 billion in revenue through operations at 560 cinemas with 7,322 screens in 43 states and territories. The U.S. cinema giant was the perfect target for Cineworld, which had similarly emphasized modernization of its cinema portfolio. By the end of 2019, the combined company had realized $190 million in operational synergies on account of, among other things: (a) optimization of business support functions and other cost savings; (b) expansion of loyalty programs and reserved seating philosophy and technology to the U.S. market; and (c) increased online traffic resulting in more online ticket sales.

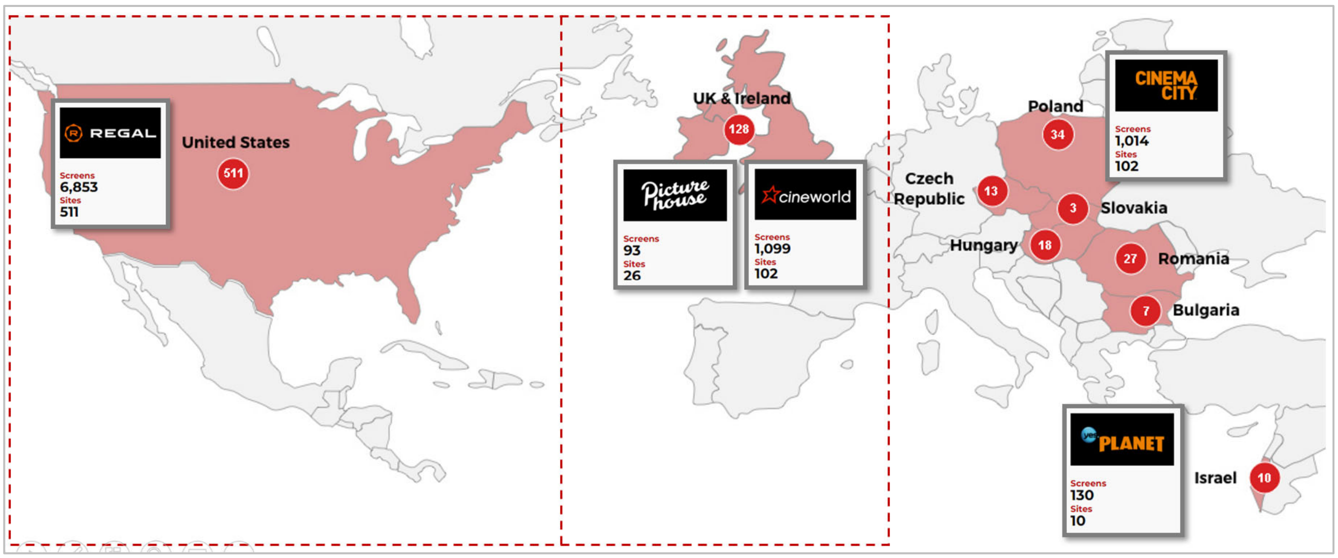
B. Business Operations.

62. With 9,189 screens across 751 locations in 10 countries, Cineworld is a global leader in theatrical entertainment. Always at the forefront of the industry, Cineworld brings its

vision to life through its commitment to a strong film catalogue, superior customer service, premium concessions offerings, and a diverse array of cutting-edge movie-viewing experiences, including, IMAX, 4DX, ScreenX, RPX, and other Premium Large Formats.

1. Cineworld's Brands.

63. The Group operates under five primary brands: (a) Cineworld in the U.K. and Ireland, (b) Picturehouse in the U.K., (c) Regal[17] in the U.S., (d) Cinema City in Central and Eastern Europe, and (e) Yes Planet in Israel.



a. Cineworld.

64. Cineworld operates 1,107 screens in 103 theaters in the U.K. and Ireland under the Cineworld brand. Cineworld's cinemas are modern and well-designed multiplexes, offering great customer service with high quality technology, stadium seating, and online ticketing services. Cineworld's exclusive premium large format (PLF) Superscreen system sets a high standard for every film. Providing multidimensional sound powered by Dolby Atmos speakers and state-of-

17 In addition to Regal-branded theaters, Regal operates the legacy United Artists and Edwards theater brands.

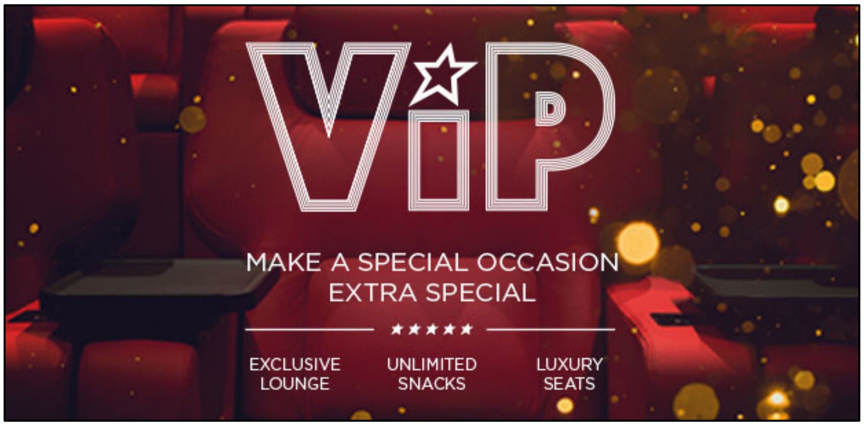
the-art projection, each Superscreen experience at a Cineworld theater offers a clearer, more vivid, and more detailed film than any standard cinema.

65. Cineworld's partnerships with IMAX and CJ 4DPlex (the owner of 4DX and ScreenX) have enabled the Group to provide its customers with a truly high-quality viewing experience. Cineworld's IMAX auditoriums allow our customers to fully immerse themselves in a film as the filmmaker intended, complete with integrated sound and speaker systems to complement IMAX's outstanding visuals. Moreover, Cineworld was the first cinema chain to bring 4DX and ScreenX technology to the U.K. and Ireland and remains the sole operator of the technology in the region today. 4DX auditoriums make each movie come to life, adding practical effects such as water, wind, scent, lighting, and motion-programmed seating that are timed and designed to enhance the on-screen action. Cineworld's ScreenX theatres offer a 270° projection of the film, using additional projectors that extend the picture out onto the side walls of the auditorium, to surround the viewers and place them into the center of the action.

(*Source: ScreenX*)

66. Cineworld also offers its "ViP Experience" at certain locations. The experience includes access to an exclusive private lounge prior to the film's screening, complete with complimentary dining and the option to purchase a range of alcoholic beverages from a private

bar. The ViP Experience theatres are also specially designed to have large, luxurious reclining seats to provide a relaxing and comfortable viewing experience.



(*Promotion for Cineworld's ViP Experience*)

67. Moviegoers can further enhance their Cineworld experience by becoming members of Cineworld's "Unlimited" subscription program. Unlimited is a program for movie lovers that allows members to watch unlimited standard format movies across all Cineworld U.K. cinemas. Members also enjoy a variety of perks, including discounts on Cineworld's premium formats, discounts on food and drinks, and access to advanced screenings. The industry-leading Unlimited program offers both annual and monthly membership options.

b. Picturehouse.

68. Cineworld operates 93 screens in 26 theaters in the U.K. and Ireland under the Picturehouse brand. Picturehouse is the Group's arthouse cinema brand that provides an alternative to its typical multiplex experience through a cozy atmosphere and contemporary restaurants and bars. Picturehouse, with its distinct theatres, offers more than movie screenings; it also screens live and direct from stage events, such as opera and theater from around the world.

69. Picturehouse provides other unique cinema experiences as well as a distinct arthouse movie chain. Audiences can watch a more eclectic range of movies than shown at standard movie theaters, can enjoy enhanced food services, and can even watch films under the

stars at the brand's specialty outdoor cinema screens tour. Picturehouse has designated screenings for children of all ages and hosts various film festivals, including the Sundance Film Festival: London. Picturehouse also offers Q&A opportunities for many of the films it screens.

(*Bromley Picturehouse, Bromley U.K.*)

70. In addition, Picturehouse offers a membership program. Membership perks include priority booking, ticket discounts, discounts on food and drink, and access to an exclusive bar at select locations.

c. Regal.

71. Cineworld operates 6,787 screens in 505 theaters in the U.S. under the Regal, United Artists, and Edwards brands. Regal's multi-screen cinema complexes typically contain 10 to 18 screens, each with auditoriums ranging from 100 to 500 seats. Regal's feature amenities include immersive sound, wall-to-wall and floor-to-ceiling screens, Sony Digital Cinema 4K projection systems, three-dimensional (3D) digital projection systems, IMAX, PLF Regal Premium Experience (RPX), digital stereo surround-sound, and interiors featuring video game and party room areas adjacent to the cinema lobby.

(*Promotion for Regal's RPX Premium Viewing Experience*)

72. Regal has its own Unlimited subscription program (introduced to the U.S. by the Cineworld management team with similar terms) and also offers a separate membership program, the Regal Crown Club. The Regal Crown Club enables members to receive discounts and special offers, as well as earn credits on each purchase of tickets or concessions, which members can redeem these credits for various rewards.

73. Since the Regal acquisition was completed, the integration of Regal into the Group has been a resounding success. The acquisition led to a number of key achievements and developments, including, but not limited to: (a) $190 million in synergies by the end of 2019; (b) the refurbishment of several sites; (c) the expansion of reserved seating across Regal's platform; (d) a new website and applications for online access; (e) an enhanced concession offering with Lavazza coffee bars, alcohol bars, and food menus; (f) a new partnership with PepsiCo; and (g) technological improvements, including the expansion of ScreenX technology, the opening of an additional 23 4DX screens, and increased use of laser projectors.

d. Cinema City.

74. Cineworld operates 1,022 screens in 103 theaters across Central and Eastern Europe—including Bulgaria, Czech Republic, Hungary, Poland, Romania, and Slovakia—under

the Cinema City brand. In Poland, Cinema City theaters feature IMAX, ScreenX, and 4DX technologies, in addition to a unique VIP zone, which offers access to unlimited snacks and drinks.

75. Cinema City is a pioneer in the cinema industry. In 2015, Cinema City began offering its "Unlimited" subscription program in Poland, the first subscription program of its kind offering its users an unlimited number of standard format films for a fixed monthly fee. The Unlimited program has been a great success, and has been expanded to other Group brands, as discussed herein. The Group provides other membership loyalty programs across several of its RoW territories.

(*Promotion for Cinema City's Unlimited Program in Poland*)

e. Yes Planet.

76. Cineworld operates 130 screens in 10 theaters in Israel under the Yes Planet and Rav Chen brands. Cineworld is the oldest and largest cinema operator in Israel (Rav Chen is my family's legacy brand), screening movies and entertaining its audience since its origins in 1930. Yes Planet's theaters offer VIP halls, IMAX screens, 4DX screens, ScreenX screens, banquet halls, as well as dining and entertainment with a selection of restaurants and cafes.

(*Promotion inviting moviegoers to "feel more at the cinema" at the Group's Israeli locations*)

2. Cineworld's Revenue and Income Stream.

77. In 2021, Cineworld's operations generated over $1.8 billion in revenue and approximately $54.4 million of adjusted EBITDA (after lease payments), with over 95 million admissions. Despite a modest improvement from the depths of 2020, the Group posted an adjusted after tax loss of $655.7 million in 2021, reflecting the immense challenges that the business continues to face as it recovers from the pandemic. Cineworld's 2021 performance remains a far cry from the $4.37 billion in revenue, over $1 billion adjusted EBITDA, and $293 million adjusted profit after tax the Group posted on 275 million admissions in 2019. These key metrics year-over-year from 2019 to 2021 are summarized in the table below:[18]

	Admissions	Group Revenue	Adjusted EBITDA (after lease payments)	Adjusted Profit (Loss) After Tax
2019	275.0 million	$4.37 billion	$1.03 billion	$293 million
2020	54.4 million	$852.3 million	($313.7 million)	($913.2 million)
2021	95.3 million	$1.8 billion	$54.4 million	($565.8 million)

[18] Additional detail regarding the Group's financial performance is available in its annual reports. *See* Cineworld Group plc, *Annual Report and Accounts 2019*, https://www.cineworldplc.com/sites/cineworld-plc/files/2020-03/cineworld-ar2019.pdf; Cineworld Group plc, *Annual Report and Accounts 2020*, https://www.cineworldplc.com/sites/cineworld-plc/files/cineworld-ara-2020-v1.pdf; Cineworld Group plc, *Annual Report and Accounts 2021*, https://www.cineworldplc.com/sites/cineworld-plc/files/reports-presentation/2022/annual-report-2021.pdf.

78. More specifically, in 2021, Cineworld generated approximately $1.22 billion (67.6% of its total revenue) in the U.S., $348.1 million (19.3% of its total revenue) in the U.K and Ireland, and $236.5 million (13.1% of its total revenue) in RoW. In terms of revenue by operating segment, Cineworld Group generated approximately $955.7 million (53% of its total revenue) in box office sales, $552.3 million (30.6% of its total revenue) from retail sales, and $296.9 million (16.4% of its total revenue) from other products and services, such as advertisements and film distribution.

a. Box Office Sales.

79. Box office admissions are Cineworld's largest driver of revenue. In 2021, the Group recognized approximately $955.7 million in revenue globally from ticket sales, up from the $448.6 million in box office revenue generated in 2020, but down from the $2.54 billion generated in 2019. The reduced box office revenues also negatively impacted other revenue streams, including retail sales and advertising. Box office sales are paramount to the Group's success; box office revenue was approximately 53% of the Group's total revenue in 2021. Box office sales are heavily influenced by the quality of content playing in theaters. The relatively weak third quarter 2022 film slate, which is expected to continue until November of this year, has been one of the key drivers of Cineworld's sudden liquidity crisis. The Group generates additional revenue from admissions by offering premium viewing formats, such as IMAX, ScreenX, 4DX, and RPX, which are priced above general admissions. The Group's expansion of its premium format offerings has increased its opportunity for additional revenue generation.

b. Retail Sales.

80. Cineworld's retail offerings are the Group's second largest revenue stream. In 2021, retail accounted for just over 30% of the Group's revenue, totaling $552.3 million, more than double the 2020 yield of $232.2 million, but again far from the Group's 2019 retail revenue

of $1.24 billion. The Group's primary retail offerings are: (a) concessions, such as the ever-present movie staple popcorn; and (b) other food and beverage sales (including alcohol sales at certain locations), which in some cases are facilitated through key partnerships with major franchises such as Starbucks and Lavazza. The reopening of theaters worldwide in 2021 increased the volume of customer purchases and the per-customer spend on retail products increased by at least 25% in each of the Group's geographic segments.

c. Advertising.

81. Advertising represents the third largest component of Cineworld's revenue after box office admissions and retail sales. Advertising revenue is predominantly generated by on-screen advertisements during the period before the showing of a feature presentation. The Group's advertising is currently facilitated by Digital Cinema Media Limited in the U.K. and Ireland, National CineMedia in the U.S., and directly by the Group in RoW. Advertising revenue is impacted by admissions trends and the value of the advertising sold. Direct contracts with concessions vendors and distributors supplement the Group's advertisement revenue streams. Selling advertising allows cinemas to reduce ticket prices and provide customers with a more affordable out-of-home entertainment option.

d. Film Distribution.

82. Cineworld operates a film distribution business in RoW and in the U.K. Forum Film is the Group's distribution arm in RoW. Forum Film distributes films on behalf of major Hollywood studios, including Disney in Israel, Hungary, Romania, and Bulgaria, Sony in Israel, Paramount in Israel and Bulgaria, and Universal in Bulgaria. Forum Film also distributes independent films in each of its countries of operation. Picturehouse is the Group's distribution arm in the U.K.

83. Cineworld further invests in the parent company of Fathom Events, which markets and distributes live and prerecorded entertainment to theater operators. Through Fathom Events, cinemas receive the right to screen special events, including concerts, operas, symphony performances, plays, live sports, and more. Fathom Events offers important diversification of Cineworld's offerings as alternative to the content provided by Hollywood studios.

e. Other Operations.

84. Cineworld has additional diversified revenue streams, including advanced ticket booking fees, vendor rebates, arcade and game rooms, special events and private bookings, and proceeds of other investments, such as the Group's investment in Spyglass Media Group, LLC, a U.S. film production company.

3. Cineworld's Real Estate Portfolio.

85. Integral to Cineworld's worldwide operations is its expansive real estate portfolio, which is spread across its three international operating segments: (a) 505 theaters in the U.S.; (b) 129 theaters in the U.K. and Ireland; and (c) 113 theaters across RoW.

86. In furtherance of its commitment to bring modern cinemas and cutting-edge technology to its customers, Cineworld regularly assesses which locations may be ripe for the opening of a new theater and which existing theaters may benefit from further investment. In connection with such assessment, Cineworld has implemented a robust expansion and refurbishment program. Since 2021, the Group has opened ten new locations—seven in the United States, two in the United Kingdom, and one in Romania—and completed seven major refurbishments—six in the United States and one in the United Kingdom. The largest of the Group's new locations—Benders Landing in Houston, Texas—was completed in June 2021. Benders Landing is one of the premier cinemas in North America and offers 4DX, ScreenX, RPX, and ViP viewing experiences.

(*Benders Landing, Houston, Texas – Outdoors*)

(*Benders Landing, Houston, Texas – Indoors*)

87. In addition, Cineworld continually assesses the performance of its existing locations. A key component of the Group's multi-faceted response to the challenges caused by the COVID-19 pandemic was to negotiate with landlords, in many cases with respect to underperforming locations, on the terms of potential lease restructurings, including rent deferrals, abatements, and other concessions that helped prolong the Group's liquidity while it navigated the pandemic.

88. As further discussed in Part III below, Cineworld intends to continue discussions with landlords during these chapter 11 cases and utilize the tools afforded to it under the Bankruptcy Code to further assess and right-size its U.S. lease portfolio with the assistance of its advisors.

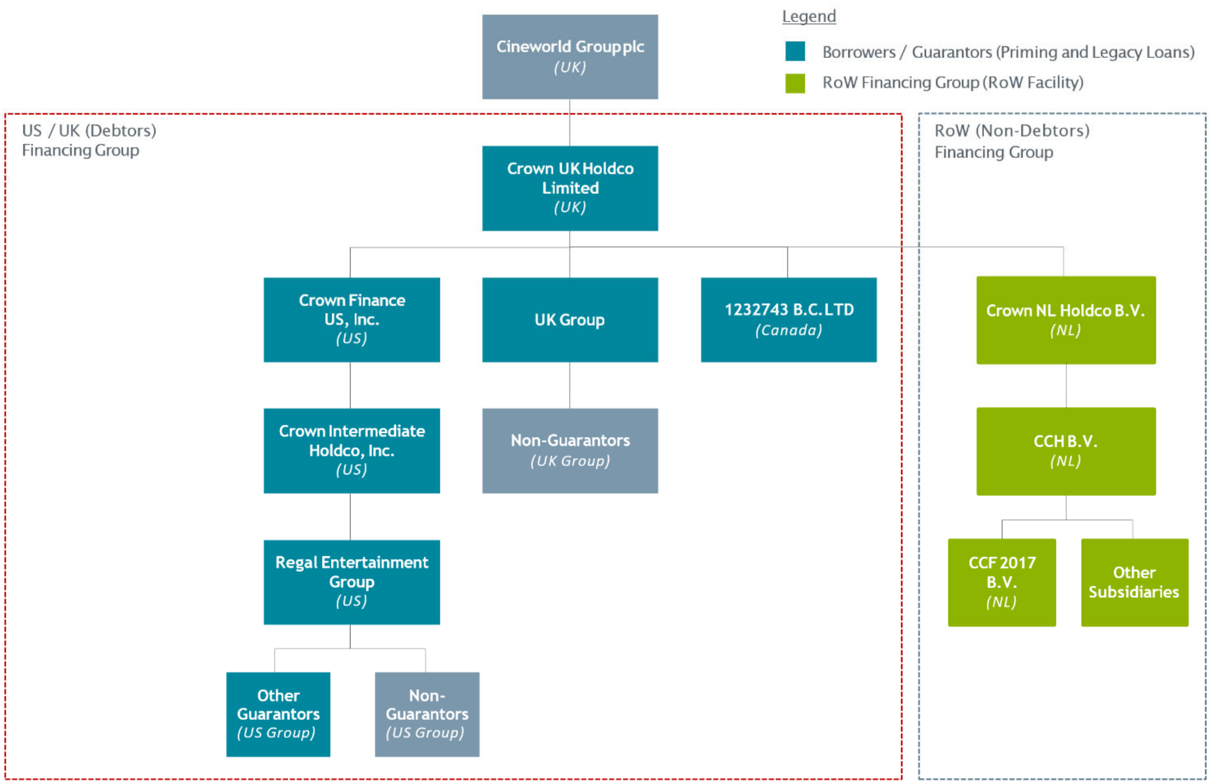
Part II: The Debtors' Prepetition Organizational and Capital Structure

A. Cineworld's Prepetition Organizational Structure.

89. Cineworld's organizational structure is divided into three operating segments: (a) the U.S., which consists of 87 entities, 69 of which are Debtors in these chapter 11 cases; (b) the U.K., Ireland, and Jersey, which consists of 45 entities, 35 of which are Debtors in these chapter 11 cases; and (c) RoW—representing the Group's operations in Bulgaria, Czech Republic,

Hungary, Israel, Poland, Romania, and Slovakia—which includes 36 entities, one of which is a Debtor in these chapter 11 cases.

90. Cineworld's corporate organizational structure is reflected, in simplified form, in the following chart:



B. Cineworld's Prepetition Capital Structure.

91. As of the Petition Date, Cineworld had approximately $5.35 billion in total funded debt obligations, approximately $5 billion of which is held by Debtor entities. The following table depicts the Debtors' prepetition capital structure:[19]

[19] On December 31, 2020, International Financial Reporting Standards (IFRS) as adopted by the European Union at that date was brought into U.K. law and became U.K.-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to U.K.-adopted International Accounting Standards in its consolidated financial statements on January 1, 2021. This accounting practice ostensibly results in significantly higher net debt than would be reported under U.S. GAAP because it requires lease costs over their entire duration to be added to total debt.

DEBTOR FINANCING FACILITIES		
Facility	**Maturity**	**Outstanding Principal Amount**
Secured Debt		
Facilities Under Prepetition Priming Credit Agreement		
Initial Priming Term B-1 Loan	May 23, 2024	$544,553,219.00
Initial Priming Term B-2 Loan	May 23, 2024	$110,800,000.00
Incremental Legacy Priming Term B-1 Loan	May 23, 2024	$200,000,000.00
Facilities Under Prepetition Legacy Credit Agreement		
Legacy USD Term Loan	Feb. 28, 2025	$2,655,731,471.10
Legacy EUR Term Loan	Feb. 28, 2025	$195,285,555.50
Incremental Legacy USD Term Loan	Sept. 30, 2026	$633,601,236.90
Revolving Credit Facility	Feb. 28, 2023	$456,570,870.60
Other Secured Facility		
Midwest City Facility	July 1, 2041	$11,900,000.00
Unsecured Debt		
Unsecured Facilities		
Settlement Facility	September 30, 2022	$56,843,757.50
Convertible Bonds	April 16, 2025	$213,000,000.00
	Total Debtor Debt:	**$5,078,286,110.60**
NON-DEBTOR FINANCING FACILITIES		
Facility	**Maturity**	**Outstanding Principal Amount**
RoW Credit Facility	Dec. 30, 2023	$249,211,682.50
Israeli Loan	June 30, 2025	$2,700,000.00
Polish Bank Overdraft	N/A	$10,500,000.00
	Total Non-Debtor Debt:	**$262,411,682.50**
	Total Debtor and Non-Debtor Funded Debt:	**$5,340,697,793.10**

1. Debtor Financing Facilities.

a. Prepetition Legacy Credit Facilities.

92. Crown Finance US, Inc. ("Crown Finance US"), as U.S. term borrower, Crown UK HoldCo Limited, as holdings ("Crown UK HoldCo"), each of Crown Finance US and Crown UK HoldCo, as revolving credit borrowers, Barclays Bank PLC ("Barclays") as administrative and collateral agent, and the lenders and issuers from time to time party thereto (such lenders having advanced term loans, the "Prepetition Legacy Term Lenders" and such lenders having advanced revolving loans, the "Prepetition Revolving Lenders") are party to that certain credit agreement,

dated as of February 28, 2018 (as amended, restated, supplemented, or otherwise modified from time to time, the "Prepetition Legacy Credit Agreement"), relating to (a) a term loan facility issued in the initial aggregate principal amount of $3.325 billion (the "Initial Legacy USD Term Loan"); (b) a Euro-denominated term loan facility issued in the initial aggregate principal amount of €607.6 million (the "Legacy Euro Term Loan"); (c) a fully-drawn revolving credit facility issued in the aggregate principal amount of $462.5 million (the "Revolving Credit Facility"); and (d) an incremental term loan facility in the aggregate principal amount of $650 million (the "Incremental Legacy USD Term Loan," and together with the Initial Legacy USD Term Loan and the Legacy Euro Term Loan, the "Prepetition Legacy Term Facilities," and together with the Revolving Credit Facility, the "Prepetition Legacy Credit Facilities").

93. The Prepetition Legacy Credit Facilities are guaranteed by each of the Debtors (with the exception of (a) 1232743 B.C. Ltd., (b) Cineworld Group plc, (c) Cineworld Funding (Jersey) Limited, and (d) certain other Specified Immaterial Subsidiaries (as defined the Prepetition Legacy Credit Agreement) that are also Debtors) (collectively, the "Legacy Facility Guarantors," and together with Crown Finance US and Crown UK HoldCo, the "Legacy Facility Obligors").[20] The Prepetition Legacy Credit Facilities are secured by first priority liens on substantially all of the assets of the Legacy Facility Obligors and junior liens on certain Specified Priming Collateral.[21] The Prepetition Legacy Facility Lenders issued the Prepetition Legacy

20 The Legacy Facility Guarantors are all direct and indirect wholly-owned subsidiaries of Crown UK HoldCo Limited, which sits directly below Cineworld Group plc, the Group's parent company. For the avoidance of doubt, the Legacy Facility Guarantors do not include any of the RoW Entities.

21 "Specified Priming Collateral" means collateral arising out of, entered into, or acquired in connection with, in relation to or otherwise used or located in specified theaters of A3 Theatres of San Antonio, Ltd., Edward Theatres, Inc., RCI/RMS, LLC, R.C. Cobb, Inc. and Hollywood Theaters III, Inc. and substantially all other property and assets of such grantors.

Credit Facilities to help facilitate the Company's acquisition of Regal Cinemas in February 2018, as further discussed in the First Day Declaration.

94. The Initial Legacy USD Term Loan bears interest at a rate of LIBOR plus 2.50 percent and matures on February 28, 2025. As of the Petition Date, the outstanding principal amount of the Initial Legacy USD Term Loan is approximately $2.655 billion.

95. The Legacy Euro Term Loan bears interest at a rate of LIBOR plus 2.63 percent and matures on February 28, 2025. As of the Petition Date, the outstanding principal amount of the Legacy Euro Term Loan is approximately $195.3 million.

96. The Revolving Credit Facility bears interest at the rate of LIBOR plus 3.00 percent and matures on February 28, 2023. As of the Petition Date, the outstanding principal amount of the Revolving Credit Facility is approximately $456.6 million.

97. The Incremental Legacy USD Term Loan bears interest at the rate of LIBOR plus 2.75 percent and matures on September, 2026. As of the Petition Date, the outstanding principal amount of the Incremental Legacy USD Term Loan is approximately $633.6 million.

b. Prepetition Priming Facilities.

98. Crown Finance US as borrower, Crown UK HoldCo as holdings, Barclays as administrative agent, and each of the lenders party thereto (the "<u>Prepetition Priming Facility Lenders</u>"), are each party to that certain credit agreement (the "<u>Prepetition Priming Credit Agreement</u>") dated November 23, 2020 (and the facilities thereunder, as amended, restated, supplemented, or otherwise modified from time to time, the "<u>Prepetition Priming Facilities</u>"). The Prepetition Priming Facilities are guaranteed by the Legacy Facility Guarantors and are secured by a first priority lien on the Specified Priming Collateral, as well as first priority liens on substantially all of the assets of the Legacy Facility Obligors, ranking *pari passu* with the liens granted under the Prepetition Legacy Credit Facilities.

99. The Prepetition Priming Facilities are comprised of three tranches of term loans: (a) a term loan issued upon entry into the Prepetition Priming Legacy Facilities in the aggregate principal amount of $450 million (the "Initial Term B-1 Loan"); (b) a term loan issued pursuant to an amendment to the Prepetition Priming Facilities in May 2020 in the aggregate principal amount of $110.8 million (the "Initial Term B-2 Loan"); and (c) an incremental term loan issued pursuant to a further amendment to the Prepetition Priming Facilities in July 2021 in the aggregate principal amount of $200 million (the "Incremental Priming Term B-1 Loan"). The Initial Term B-2 Loans were provided to the Debtors as consideration in connection with the retirement of a then-existing revolving credit facility issued by the Prepetition Priming Term Loan Lenders.

100. A drafting error in the loan documents for the Initial Term B-1 Loan inadvertently resulted in the inclusion of a 1% LIBOR floor on the interest rate for the term loan facility. Cineworld reserved rights and made the disputed interest payments. Cineworld and its advisors also engaged in extensive discussions with both Barclays Bank PLC, as the administrative agent, and counsel for the Ad Hoc Term Loan Group in an effort to reach an agreement on steps to correct the mistake. Subsequently, K&E entered into a confidential settlement agreement with Cineworld which resolved and eliminated any dispute between the Group and K&E resulting from the drafting error.

101. The Initial Term B-1 Loan bears interest at the rate of 7.00% payable in cash, plus 8.25% payable-in-kind by being capitalized and added to the principal balance of the loan. As of the Petition Date, the outstanding principal amount of the Initial Term B-1 Loan is approximately $544.6 million.

102. The Initial Term B-2 Loan bears interest at the rate of LIBOR plus 5.00%. As of the Petition Date, the outstanding principal amount of the Initial Term B-2 Loan is approximately $110.8 million.

103. As of the Petition Date, the outstanding principal amount of the Incremental Priming Term B-1 Loan is approximately $200.0 million. The Incremental Priming B-1 Term Loan bears interest at the LIBOR base rate plus 8.25%.

104. The Prepetition Priming Facilities mature on May 23, 2024.

c. Midwest City Facility.

105. Regal, as borrower, and Arvest Bank, as lender, are party to that certain loan agreement, dated as of July 1, 2021 (the "Midwest City Loan Agreement"). Pursuant to the Midwest City Loan Agreement, Regal issued a promissory note (the "Midwest City Note") to Arvest Bank in the principal face amount of approximately $12 million. The Midwest City Note is secured by a first priority mortgage lien over the Debtors' real property located in Midwest City, Oklahoma (the "Midwest Property"), as well as a security interest in all of Regal's and Regal Cinemas, Inc.'s assets and proceeds deriving from the Midwest Property. The Midwest City Note bears interest at the Treasury Rate plus 3.00 percent and matures in 2041. As of the Petition Date, the outstanding principal amount of the Midwest City Note is approximately $11.9 million.

d. Settlement Facility.

106. As further described in Part III below, the Company reached a settlement (the "Regal Settlement Agreement") with respect to its litigation against the dissenting shareholders of Regal Entertainment Group arising out of the Company's acquisition of Regal Cinemas. Pursuant to the Regal Settlement Agreement, the Debtors agreed to pay approximately $92 million to the dissenting shareholders.

107. To finance the Debtors' obligations under the Regal Settlement Agreement, Crown UK HoldCo, as holdings, and Crown Finance U.S. as borrower, Wilmington Trust, National Association as administrative agent, and the lenders party thereto (the "Settlement Lenders") entered into that certain credit agreement (the "Settlement Credit Agreement", and the term loan facility thereunder, as amended, restated, supplemented, or otherwise modified from time to time, the "Settlement Facility"). Pursuant to the Settlement Facility, the Settlement Lenders issued unsecured term loans in the aggregate principal amount of approximately $92 million bearing interest at the rate of 20.00% payable as payment-in-kind. The Settlement Facility is guaranteed by the Legacy Guarantors and it matures on September 30, 2022. As of the Petition Date, the outstanding principal amount of the Settlement Facility is approximately $56.8 million.

e. Convertible Bonds.

108. In March 2021, the Debtor Cineworld Funding (Jersey) Limited issued $213 million in aggregate principal amount of convertible bonds (the "Convertible Bonds") pursuant to that certain subscription agreement dated as of March 24, 2021 (the "Convertible Bond Subscription Agreement"), by and among Cineworld Funding (Jersey) Limited, as issuer (the "Convertible Bonds Issuer"), Cineworld Group plc, as guarantor (the "Convertible Bonds Guarantor"), and the various direct investors thereto. The Convertible Bonds are constituted by a trust deed, dated as of April 16, 2021 (the "Trust Deed"), by and between the Convertible Bonds Issuer, the Convertible Bonds Guarantor, and BNY Mellon Corporate Trustee Services Limited, as trustee. The Convertible Bonds bear interest at a rate of 7.50 percent per annum, payable semi-annually in arrears in equal installments on October 16 and April 16 of each year. The Convertible Bonds mature on April 16, 2025. The Convertible Bonds are unsecured obligations of the Convertible Bonds Issuer and the guarantee in respect thereof is an unsecured obligation of the Convertible Bonds Guarantor.

109. As of the Petition Date, there is approximately $213.0 million in aggregate principal outstanding under the Convertible Bonds. Subject to the terms of the Trust Deed, the Convertible Bonds are, in certain circumstances, convertible into fully paid-up ordinary shares of £0.01 each in the capital of the Convertible Bonds Guarantor at a conversion price calculated in accordance with the Trust Deed.

2. Non-Debtor Financing Facilities.

110. As set forth below, certain of the Debtors' non-debtor affiliates are party to financing arrangements that are used to fund the operations of certain non-debtor entities.

a. RoW Credit Facility.

111. Crown NL HoldCo B.V., as Topco thereunder, Cinema City Holding B.V., as parent, Cinema City Finance (2017) B.V., as borrower, Kroll Agency Services Limited, as agent, and the lenders from time to time thereto, are party to that certain facilities agreement, dated as of June 19, 2020 (as amended, restated, supplemented, or otherwise modified from time to time, the "RoW Credit Agreement," and the loans advanced thereunder, the "RoW Loans"). The RoW Credit Agreement provides, following an increase of commitments as part of an amendment and restatement of the RoW Credit Agreement with effect from 31 May 2022 (a) one Euro-denominated term loan facility issued in the aggregate principal amount of approximately €127.5 million; and (b) one USD-denominated term loan facility issued in the aggregate principal amount of approximately $116.7 million (collectively, the "RoW Credit Facility"). The RoW Credit Facility is guaranteed by Debtor Cineworld Group plc, non-Debtor Crown NL Holdco B.V ("Dutch TopCo") and certain of Dutch TopCo's non-Debtor direct and indirect subsidiaries

(collectively, the "RoW Guarantors").[22] The RoW Credit Facility is secured by, among other things: (a) a security pledge of Crown NL HoldCo B.V.'s equity interests in Cinema City Holding B.V.; (b) a receivables pledge granted by Dutch TopCo in respect of all present and future receivables owed to Dutch TopCo by other members of the Group (as defined in the RoW Credit Agreement); (c) a security pledge of Cinema City Holding B.V.'s equity interests in Cinema City Finance (2017) (B.V.); (d) an omnibus pledge granted by Cinema City Holding B.V. and Cinema City Finance (2017) B.V. with respect to certain receivables owed thereto, and to certain specified bank accounts; and (e) various local law security granted by each of the RoW Guarantors (other than Debtor Cineworld Group plc). The RoW Credit Facility bears interest at 11.00 percent per annum and matures on December 30, 2023. As of the Petition Date, the outstanding principal amount of the RoW Credit Facility is approximately $249.2 million.

b. Israeli Loan.

112. Cinema Theatres Ltd., as borrower, and Bank-Mizrahi Tefahot, as lender, are party to that certain unsecured credit agreement dated June 30, 2020 (as amended, restated, supplemented, or otherwise modified from time to time, the "Israeli Loan Agreement," and the loan advanced thereunder, the "Israeli Loan"). Pursuant to the Israeli Loan, Bank-Mizrahi Tefahot issued approximately 24 million Israeli new shekels in aggregate principal loans to Cinema Theatres Ltd., bearing interest at the Treasury Rate (as defined in the Israeli Loan Agreement) plus 2.00 percent. The Israeli Loan matures on June 30, 2025.

[22] The RoW Guarantors are: (a) Cineworld Group plc; (b) Cinema City Finance (2017) B.V.; (c) Cinema City Holding B.V.; (d) Crown NL Holdco B.V.; (e) IT Magyar Cinema K.F.T.; (f) New Age Cinema K.F.T; (g) Cinema City Czech s.r.o.; (h) Cinema City Poland Sp. z.o.o; and (i) Cinema City Romania S.r.l.

3. Equity Interests.

113. As of the Petition Date, Cineworld's issued and outstanding share capital consists of one class of approximately 1.37 billion ordinary shares. No ordinary shares carry any special rights and each ordinary share is entitled to one vote. The ordinary shares are traded on the London Stock Exchange under the symbol "CINE."

Part III: Events Leading to These Chapter 11 Cases

A. The COVID-19 Pandemic Devastates Cineworld's Business.

1. Cineworld—Like the Rest of the Cinema Industry—Experiences Immediate and Unprecedented Losses.

114. Before the COVID-19 pandemic, Cineworld's business was performing well and growing. The Group had experienced record-breaking revenues in 2018 and 2019. Following the Regal acquisition, the Group was realizing even greater than expected synergies as the global organization became fully integrated. The future looked brighter than ever.

115. The COVID-19 pandemic changed everything. For me, and for so many of Cineworld's loyal customers, the cinema is a symbol of community. Whether a family outing, a date night, or a child's birthday party, the cinema has always been a place where friends and family gather to share in the joy of film and each other. But as the realities of the pandemic set in, activities that fostered togetherness became unsafe. Instead of bonding over movie magic, audiences retreated to their homes, keeping each other safe by keeping their distance. Inherently social activities, such as going to the movies, were now feared.

116. As government-mandated shutdowns led to mass theater closures in early 2020, the industry's revenue source was abruptly cut off. The Motion Picture Association's annual THEME

report[23] paints a stark picture of the economic carnage that the pandemic left in its wake. In 2019, the global box office market reached an all-time high of $42.3 billion. In 2020, that number plummeted to just $11.8 billion. Though 2021 brought a rebound to $21.3 billion, box office sales remained 50% below their pre-pandemic highs, which is insufficient to earn a profit in light of the high fixed costs associated with theater operations.

117. Although so many industries were affected by the pandemic, cinemas were hit particularly hard. Cinemas are highly capital intensive, requiring large spaces in desirable locations, technology upgrades to offer customers an attractive experience, and expensive deals with studios for the right to show their films and other industry counterparts. To fund these expenses and many others, many cinema companies turned to the debt markets. When the pandemic eliminated their revenue, however, a number of these companies were unable to repay their obligations. Unsurprisingly, a wave of bankruptcy filings swept the industry,[24] and companies that avoided bankruptcy found themselves in dire straits.

118. As one notable example, Cineworld's largest competitor AMC entered the pandemic saddled with more than $4.75 billion in debt from several recent acquisitions. AMC warned investors in the fourth quarter of 2020 that it might not be able to continue as a going concern. In January 2021, AMC's stock dropped below $2.00 per share, which reflected a market capitalization of less than $500 million. Then the incredible "meme stock" phenomenon reversed

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23 *Theatrical and Home Entertainment Market Environment (THEME) Report*, MOTION PICTURE ASSOCIATION (2021), https://www.motionpictures.org/wp-content/uploads/2022/03/MPA-2021-THEME-Report-FINAL.pdf.

24 *See, e.g.*, *In re Pacific Theatres Exhibition Corp.*, Case No. 21-15007 (Bankr. C.D. Cal. June 18, 2021); *In re Cinema Square, LLC*, Case No. 21-10634 (Bankr. C.D. Cal. June 14, 2021); *In re Alamo Drafthouse Cinemas Holdings, LLC* Case No. 21-10475 (Bankr. D. Del. Mar. 3, 2021); *In re Studio Movie Grill Holdings, LLC*, Case No. 20-32633 (Bankr. N.D. Tex. Oct. 23, 2020); *In re Cinemex Holdings USA, Inc.*, Case No. 20-14696 (Bankr. S.D. Fla. Apr. 25, 2020). In addition, Vue Cinemas, the third-largest cinema chain in the U.K., is currently undergoing a pre-packaged administration in the U.K.

AMC's fate.[25] Retail investors utilizing trading apps such as Robinhood and communicating with one another on Reddit identified stocks, like AMC, that were heavily shorted by hedge funds. The retail investors purchased those stocks, driving up the price and short squeezing the institutional investors in the process. In June 2021, AMC's stock price reached a high of $62.55, which reflected a market capitalization of more than $30 billion. In light of the increased share price, AMC was able to raise financing in the equity markets in lieu of taking on additional debt to fund its operations during the remainder of the pandemic. AMC's stock price has steadily decreased and, as of the date of this declaration, currently trades below $10 per share.

119. Cineworld's performance tracked that of the industry. The Group's $1.03 billion adjusted EBITDA and $293 million adjusted profit after tax in 2019 dropped to a $313.7 million adjusted EBITDA loss (after lease payments) and $913.2 million adjusted loss after tax in 2020. Though there was a recovery in 2021, performance remained significantly below 2019 levels. Virtually every key financial metric tells the same story. Perhaps most telling is the stock price. After closing at 197.95 GBX on December 3, 2019, the stock price had fallen to 38.76 GBX exactly four months later on April 3, 2020, erasing 80.4% in shareholder value.

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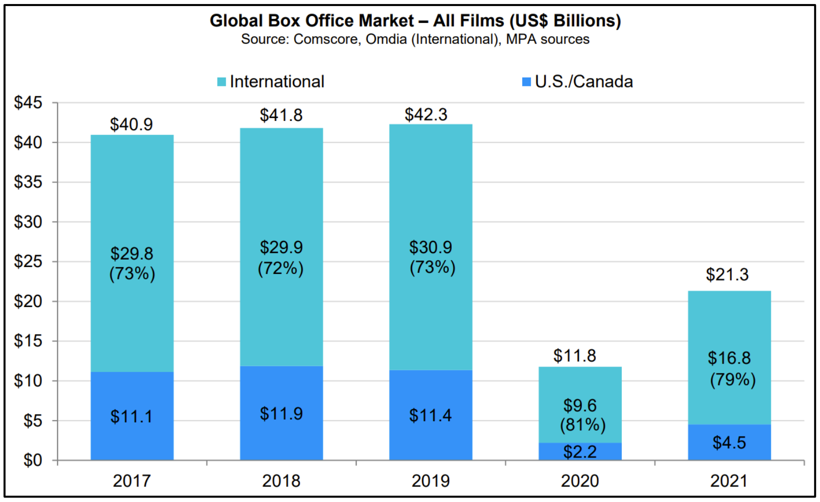
25 *See* Alexander Gladstone, *How Reddit Renegades Helped Theater Giant AMC Avoid a Tragic Ending*, THE WALL STREET JOURNAL (Feb. 26, 2021), https://www.wsj.com/articles/how-reddit-renegades-helped-theater-giant-amc-avoid-a-tragic-ending-11614358803?mod=article_inline ("What happened to AMC is a testament to a new force in financial markets: small-time investors whose collective power, often fueled by social media hype, can help determine a company's fate.").



(*Source: THEME Report (2021)*)

CINE Stock Price: 2018–2022
(*Source: CNBC, quoted as of Aug. 29, 2022*)

120. As Cineworld's largest shareholders—with an approximately 20.08% interest in the Group's ordinary shares[26]—my family understands the impact that these losses have had on the Group's shareholders and employees. Our holdings are the product of generations of hard work and big dreams—dreams that had come true before the pandemic. And we know so many shareholders similarly invested their hard-earned income into the business until, seemingly overnight, billions of dollars were lost. The stock price collapse from its high in April 2019 to present caused me and my brother Mooky to lose more than £1 billion that was held in trust for our families.

121. But my brother and I, with the assistance of our management team and advisors and guided by Cineworld's experienced Board, remained steadfast in our goal of maximizing value and adapting to the circumstances we faced. Cineworld took difficult measures to stem its losses and enhance liquidity. As noted, the Group implemented numerous cost-savings initiatives and

[26] The Greidinger family's stake in Cineworld Group plc is held by Global City Theatres B.V. (275,720,505 ordinary shares) and Global City Holdings B.V. (1,000,000 ordinary shares), each of which is ultimately beneficially owned by Greidinger family trusts. Prior to the pandemic, the Greidinger family held an approximately 28% stake in Cineworld Group plc. In March 2020, however, the Greidinger family sold approximately 8% of its stake in order to meet a margin call under a loan secured by the family's share holdings.

obtained over $800 million in rescue financing to maintain viability while hoping to outlast the pandemic. But these measures were premised on an ultimate bounce back to pre-pandemic performance levels, which, as discussed below, remains an uphill battle to this day.

2. Massive Delays in Film Release and Production Schedules Cause Immediate Losses and Multi-Year Ripple Effect.

122. While the initial market downturn can be attributed directly to mass cinema closures in early 2020, the industry's troubles did not cease when cinemas reopened their doors later that year. Instead, these difficulties were exacerbated when studios chose to withhold their blockbusters from theatrical release in an effort to preserve potential revenue by waiting until government restrictions were lifted and audiences returned to theaters. Moreover, even if studios wanted to release content earlier, pandemic restrictions also affected production sets, resulting in a content backlog that continues to plague the industry today.

123. Unfortunately, two months became two years, and the dearth of inventory was sorely felt by cinemas everywhere (and continue to cause extraordinary challenges in the industry). Indeed, the number of new feature films released dropped from 860 in 2019 to just 319 in 2020. That number increased slightly to 370 in 2021, but that still represents ***77%*** fewer feature films when compared to 2019.[27]

124. The struggles the industry have faced are illustrated by the repeatedly-postponed release of the James Bond film *No Time to Die*. The industry expected audiences would return to the theaters for this film—the 25th installment of the franchise typifies the quintessential blockbuster that cinemas rely on to boost their revenues. But MGM Studios and Universal Pictures decided in March 2020 to delay the film's planned April 2020 domestic and global theatrical

[27] *See THEME Report* (2021), *supra* note 23.

release to November 2020 to coincide with a hoped-for reopening of theaters. As the new release date approached, however, the studios took stock of the situation. Movies that had gone forward with 2020 releases (*e.g.*, Patty Jenkins' *Wonder Woman 1984* and Christopher Nolan's *Tenet*) came in significantly below expectations. And uncertainty remained around the potential timing of mass vaccination programs that would push the world to a new phase of the pandemic and return patrons to their seats. Accordingly, in early October 2020, the studios announced that they would be delaying the film's release once again. As my brother Mooky remarked at the time, that delay was the "last straw."[28] Shortly thereafter, Cineworld closed its U.S. and U.K. theaters indefinitely, determining that projected revenues could not keep up with expenses due to the lack of hit films. As Mooky put it, "with no goods, you cannot keep the shop open."[29]

(*Source: Bond Lifestyle*)

125. Though there has been a gradual recovery of consumer demand following the doldrums of 2020, to this day the industry is suffering the effects of the massive disruption caused

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28 David Sims, *Theaters Needed James Bond to Rescue Them. Now What?*, THE ATLANTIC (Oct. 6, 2020), https://www.theatlantic.com/culture/archive/2020/10/james-bond-delay-theaters/616622/.

29 Nancy Tartaglione, *Cineworld's Mooky Greidinger Urges UK Prime Minister to "Save Cinemas to Avert Job Losses And A Cultural Blackout… Now Is No Time To Die"; Proposes Three-Point Support Plan*, DEADLINE (Oct. 11, 2020), https://deadline.com/2020/10/cineworld-mooky-greidinger-letter-to-uk-prime-minister-boris-johnson-save-cinemas-job-losses-support-plan-1234595447/.

by the pandemic. Most critically, film release and production schedules continue to lag well behind 2019 levels. As recently reported, the number of films released on more than 2,000 screens remains down over 30% from 2019, which can be attributed in large part to an industry backlog at each stage of the production process.[30] This delayed release schedule has continued to plague the Group this summer[31] and is expected to continue into 2023. This has been a major contributor to the Group's current liquidity crisis and has prevented much-needed revenues that could be used to repay debt and other deferred obligations.

3. The Pandemic Catalyzes the Already-Growing Influence of Streaming, Diverting Essential Cinema Revenue.

126. During the early stages of the pandemic, millions of people worldwide stayed at home. In the absence of cinemas, other mediums stepped in to fill the void, and the direct to home entertainment phenomenon was born. Though they could never replicate the true cinematic experience, large corporations like Amazon, Apple, Disney, Paramount, and others saw the potential in home entertainment alternatives during the pandemic and either launched their own new streaming service or invested heavily in their existing services. These new players in the home entertainment area were able to offer studios lucrative deals to release their films directly on their streaming platforms for at-home viewing, either skipping the cinema entirely or significantly shortening the cinema exclusivity window.

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30 *See* Lucas Shaw, *The Movie Business Has a Supply-Chain Problem*, BLOOMBERG (July 24, 2022), https://www.bloomberg.com/news/newsletters/2022-07-24/the-movie-business-has-a-supply-chain-problem ("Even when production finished, the visual-effects industry was often unable to handle all the product. There has been a full meltdown in the sector, according to executives at several studios.").

31 AMC acknowledged in its August 18, 2022, press release that "the film slate in the third quarter of 2022 is expected to be relatively weak." Press Release, AMC Theatres, *AMC Entertainment Holdings, Inc. Comments on Cineworld Public Statement*, https://investor.amctheatres.com/newsroom/news-details/2022/AMC-Entertainment-Holdings-Inc.-Comments-on-Cineworld-Public-Statement/default.aspx.

127. Once unheard of in a world of lucrative cinema exclusivity contracts for feature film releases, the new model soon became commonplace during the pandemic. This new model utilized a variety of forms, including (a) releases exclusively on streaming platforms, (b) concurrent theatrical and streaming platform releases, and (c) releases on streaming platforms following a short exclusive theatrical release. Although varying in impact on cinemas, one constant remained—the less time feature films spent exclusively in theaters, the more revenue was diverted from their top lines. For companies desperate for a return to pre-pandemic performance to bolster their liquidity and pay down their growing obligations, the trend was particularly devastating.

128. The first major domino to fall was *Trolls World Tour*, which Universal Pictures announced would be given a simultaneous release as a digital rental in April 2020 at a time when most cinemas in the U.S. were closed.[32] By the end of the month, the film had grossed nearly $100 million in rentals, shattering previous digital release records and justifying the temporary diversion from industry norms during the pandemic.[33] Emboldened by the results, studios doubled down, and hit films like *Mulan*, *Luca*, *Greyhound*, *Coming 2 America*, *Hotel Transylvania 3: Summer Vacation*, and many others that would drive cinema revenue in pre-pandemic times followed suit.

129. In 2019, global theatrical revenue was $42.2 billion, making up 42% of the $98.1 billion combined theatrical and home/mobile entertainment market. In 2020, as previously

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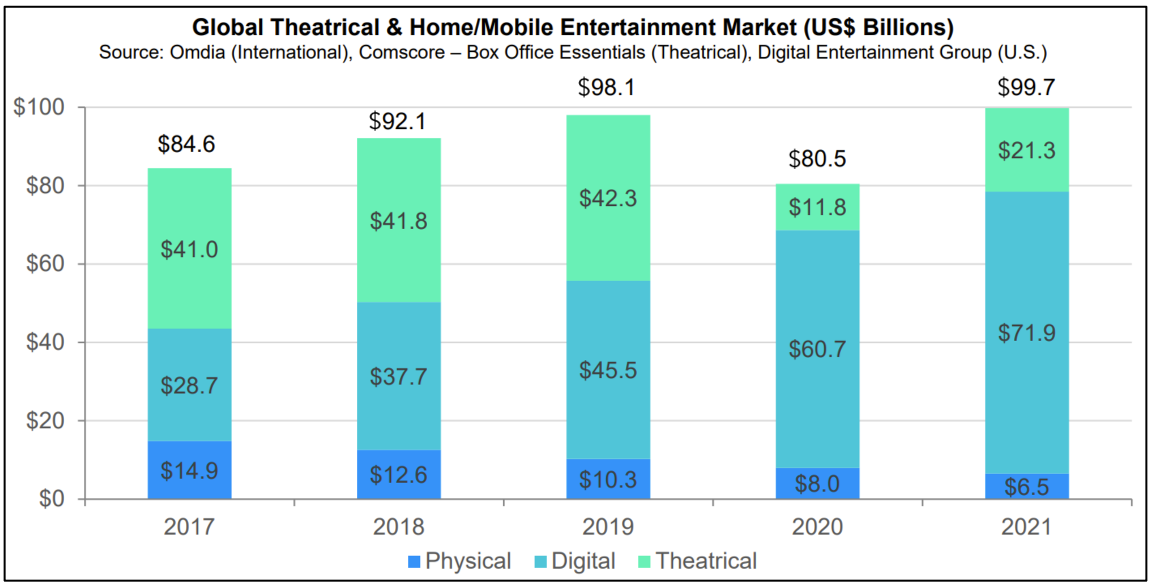
32 *See* Jeremy Fuster, *Universal to Release 'Trolls World Tour' for Digital Rental on Same Day as Theatrical Release*, THE WRAP (March 16, 2020), https://www.thewrap.com/universal-to-release-trolls-world-tour-for-digital-rental-on-same-day-as-theatrical-release/. Universal CEO Jeff Shell explained that "[r]ather than delaying these films or releasing them into a challenged distribution landscape, we wanted to provide an option for people to view these titles in the home that is both accessible and affordable." *Id.*

33 *See* Rich Schwartzel, *'Trolls World Tour' Breaks Digital Records and Charts a New Path for Hollywood*, THE WALL STREET JOURNAL (April 28, 2020), https://www.wsj.com/articles/trolls-world-tour-breaks-digital-records-and-charts-a-new-path-for-hollywood-11588066202 ("For studios, the prospect is especially alluring because they retain about 80% of the digital rental or purchase fee—compared with about 50% of box-office sales.").

noted, global theatrical revenue plummeted to $11.8 billion, and its share of that year's $80.5 billion combined market dropped to less than 15%. Perhaps most tellingly, in 2021, the combined market bounced back to $99.7 billion, eclipsing 2019 highs, but the theatrical portion of the market remained depressed at only $21.3 billion, just over 21% of the market. When the dust had settled, although the total pie had actually grown, the theatrical slice had been halved, swallowed up by digital media alternatives—not just movies, but the enormous variety of streaming content that is now available to consumers.



(*Source: THEME Report (2021)*)

130. As an industry leader, Cineworld did its part to put the cinema experience back in the spotlight. Cineworld, led by my brother, leveraged our hard-earned industry relationships in negotiations with our partners at Warner Brothers over a deal for a theatrical release window that reflected the "new normal." At a time when cinemas had their lowest bargaining power in memory, the result was a multi-year agreement providing that all Warner Brothers films would have a 31–45-day theatrical window. Although a significant decrease from the 75-day windows the industry had become accustomed to, the deal was yet another measure put in place to ensure Cineworld's continued viability during a time of immense uncertainty. As Mooky stated, "[t]his

agreement shows the studio's commitment to the theatrical business and we see this agreement as an important milestone in our 100-year relationship with Warner Bros."[34]

B. Additional Business Headwinds Compound Cineworld's Challenges During Its Most Vulnerable Period.

1. Shareholder Appraisal Litigation Stemming from the Regal Acquisition Results in Judgment Against Cineworld.

131. In 2018, Cineworld acquired Regal, which was publicly traded at the time. Cineworld agreed to pay Regal shareholders $23.00 per share. Over 90% of Regal shareholders approved the transaction, but certain dissenting shareholders (the "Dissenting Shareholders") brought an appraisal action in the Delaware Court of Chancery (the "Delaware Court") claiming that the fair value of Regal was $33.83 per share. Cineworld argued that the fair price was $18.02 per share (deal value of $23 minus synergies, which Cineworld valued at $4.98 per share).

132. The Delaware Court agreed with Cineworld that the fair price should be calculated based on deal price minus synergies, but nevertheless determined that the merger consideration was too low because of congressional corporate tax reforms that occurred between signing and closing of the transaction. The Delaware Court held that the fair value at the time of signing was $23.60 per share based on the deal price of $23.00 *minus* $3.77 of synergies per share that the Court credited after an analysis of the proffered synergies *plus* $4.37 per share resulting from the corporate tax reforms. The synergies that the Delaware Court credited included certain operational synergies resulting from increased volume of online ticket sales and the expansion of reserved seating to drive higher concession revenue as well as certain tax-related synergies. A judgement

[34] Zack Sharf, *Warner Bros. Strikes First Deal to Return Films to Theaters Only in 2022 with New 45-Day Window*, YAHOO! FINANCE (Mar. 23, 2021), https://finance.yahoo.com/news/warner-bros-strikes-first-deal-130434947.html.

was entered against Cineworld on May 13, 2021, requiring Cineworld to pay the deal price plus $0.60 per share plus statutory interest to the Dissenting Shareholders.

133. Following entry of the judgment, in light of the Group's ongoing liquidity challenges that rendered immediate payment in full unfeasible, Cineworld engaged in good-faith, arm's length negotiations with the Dissenting Shareholders regarding the terms of a potential settlement agreement. On September 10, 2021, the Group announced that it reached a deal with the Dissenting Shareholders (the "Regal Settlement Agreement") pursuant to which Cineworld agreed to pay $170 million of the judgment to the Dissenting Shareholders up front with another $92 million placed into an escrow to be available to Cineworld as additional liquidity under certain circumstances, and otherwise to be paid to the Dissenting Shareholders no later than March 31, 2022.

134. In February 2022, Cineworld engaged in further discussions with the Dissenting Shareholders to reschedule the $92 million payment obligations. A deal was reached on February 2, 2022, pursuant to which the Group agreed that the remaining obligations would be paid to the Dissenting Shareholders in installments, with a final payment due on June 30, 2022—a three-month extension from the original March deadline. In conjunction with that deal, the Group drew on the escrowed funds in accordance with the terms and conditions of the Regal Settlement Agreement and financed its remaining obligations under the Regal Settlement Agreement through the Settlement Facility, as described in Part II above.

2. Litigation with Cineplex Over the Terminated Arrangement Agreement Results in a Judgment for Cineplex, which is Pending on Appeal.

135. In December 2019, Cineworld and Cineplex, a leading Canadian cinema chain, entered into an Arrangement Agreement pursuant to which Cineworld agreed to acquire Cineplex in exchange for $2.8 billion. The parties agreed that the deal would close before June 30, 2020.

On June 5, 2020, however, Cineworld sent Cineplex a notice asserting that Cineplex had defaulted on the Arrangement Agreement because it breached a number of the covenants therein, including by failing to operate in the ordinary course. After Cineplex denied the alleged breaches, Cineworld sent Cineplex a notice terminating the Arrangement Agreement (and withdrew its regulatory approval application) on June 12, 2020. In litigation, Cineplex claimed the termination was a repudiation of the Arrangement Agreement and argued that it was entitled to damages for Cineworld's purportedly unjustified action. Cineworld denied Cineplex's claims and asserted that Cineplex violated the deal because it operated outside the ordinary course of its business by deferring certain payments and reducing capital expenditures during the pandemic.

136. The Ontario Supreme Court of Justice (Commercial List) (the "Canadian Court"), after 20 days of hearings, found in favor of Cineplex. The Canadian Court awarded expectation damages in the amount of CAD $1.24 billion and transaction costs of CAD $5.5 million to Cineplex. Cineworld vigorously disagrees with both the Canadian Court's judgment and method of calculation of damages. Cineworld has appealed the judgment, with oral argument currently scheduled for October 2022.

137. While no payment has been required or made by Cineworld to Cineplex based on the pendency of the appeal, the Canadian Court's judgment has already had a significant negative impact on the Group. Among other things, current and prospective financing sources have cited the judgment in refusing to provide the Group with additional liquidity or flexibility, and Cineworld's stock price has been impacted and depressed by the overhang caused by the judgment and ongoing appeal.

C. Prepetition Negotiations with Creditors, Debtor-in-Possession Financing, and the Path Forward in Chapter 11.

1. Prepetition Negotiations and the DIP Facility.

138. Since reinitiating discussions with the Ad Hoc Term Loan Group in August, the Debtors, with the assistance of their advisors, have worked tirelessly to chart a value-maximizing path forward in these chapter 11 cases. After weeks of negotiations, the parties agreed on the terms of the DIP Facility.[35] As further described in the DIP Declarations, the $1.935 billion DIP Facility provides essential liquidity to the Debtors' estates during these chapter 11 cases; as of the Petition Date, the Debtors have less than $4 million of cash on hand.

139. Specifically, $664 million of the DIP Facility is allocated to fund the Debtors' ordinary course operations during the pendency of these chapter 11 cases, ensuring, among other things, that the Debtors can provide uninterrupted services to their customers. $1 billion of the DIP Facility is allocated to the refinancing of outstanding obligations under the Prepetition Priming Facilities (the "Priming Facilities Refinancing"). The remaining $271 million of the DIP Facility will be used to facilitate a transaction pursuant to which a newly-incorporated Group entity will purchase the RoW Loans (the "RoW Credit Facility Transaction"). The RoW Credit Facility Transaction will obviate the need for expensive, complex, and unnecessary chapter 11 filings, or other insolvency proceedings, that would have otherwise been necessitated due to the occurrence of an event of default under the RoW Credit Facility upon a chapter 11 filing. In connection with the RoW Credit Facility Transaction, the lenders under the RoW Credit Facility have agreed to

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[35] A description of the terms of the DIP Facility and the facts and circumstances leading to entry into the DIP Facility can be found in the declarations of Steven Zelin of PJT and James A. Mesterharm of AlixPartners, each in support of the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Use Cash Collateral, (II) Granting Liens and Providing Superpriority Administrative Expense Claims, (III) Granting adequate Protection to Prepetition Secured Parties, (IV) Modifying the Automatic Stay, (V) Scheduling a Final Hearing, and (VI) Granting Related Relief* (together, the "DIP Declarations"), filed contemporaneously herewith.

forbear from exercising remedies under the RoW Credit Agreement for four business days following the Petition Date to allow time for the Debtors to fulfill the conditions precedent to the RoW Credit Facility Transaction.

140. The DIP Facility credit agreement establishes case milestones to ensure that these chapter 11 cases proceed at an appropriate and efficient pace, thereby avoiding an unnecessarily prolonged stay in chapter 11. The key DIP milestones are as follows:

Date	Proposed DIP Milestone
September 6, 2022	Commencement of chapter 11 cases
September 9, 2022	Entry of interim DIP order
October 6, 2022	Entry of final DIP order
October 15, 2022	Delivery of initial lease optimization and business plans
November 21, 2022	Filing of a sale motion and bidding procedures or a chapter 11 plan
January 3, 2023	If plan path, date of the disclosure statement hearing
February 22, 2023	If sale path, date of the sale hearing
February 28, 2023	Entry of an order confirming a chapter 11 plan

2. Lease Portfolio Rationalization.

141. To optimize their operations, and as contemplated by the lease optimization and business plan milestones under the DIP Facility, the Debtors intend to utilize the tools provided to them under the Bankruptcy Code to right-size their U.S. lease portfolio by identifying undesirable theater locations for potential lease rejection and closure. In the lead up to the filing of these chapter 11 cases, the Debtors—with the assistance of their advisors, including A&G Realty Partners, LLC ("A&G") as real estate advisor—have carefully analyzed their U.S. lease portfolio, which review and analysis remains ongoing. The Debtors and their advisors are assessing which locations are underperforming—whether due to poor performance, over-market lease terms, or a determination that it is otherwise not commercially beneficial or feasible to renew such leases on

current terms—and should be subject to lease restructuring negotiations with landlords or closed altogether.

142. Contemporaneously herewith, the Debtors filed the *Debtors' First Omnibus Motion for Entry of an Order (I) Authorizing (A) Rejection of Certain Unexpired Leases of Non-Residential Real Property and (B) Abandonment of Certain Personal Property, if any, Each Effective as of the Rejection Date, and (II) Granting Related Relief* (the "Rejection Motion"). The Rejection Motion seeks relief to, among other things, reject 20 unexpired leases for U.S. theater sites that the Debtors have determined to be unnecessary and burdensome to their estates. Rejection of these leases will reduce high fixed operational costs at underperforming locations and better position the Debtors to conduct competitive operations going forward. The Debtors estimate that rejection of the leases will save them approximately $12 million.

143. In parallel, the Debtors, with the assistance of A&G and their other advisors, remain in active negotiations with certain of their U.S. landlords with respect to the potential restructuring of existing lease terms. Although ongoing, the Group is hopeful that these negotiations will lead to further lease concessions and modifications that will allow additional theater sites to remain open into the future.

3. Enhanced Corporate Governance.

144. In connection with its contingency planning efforts and in consultation with its advisors, Cineworld reviewed its existing corporate governance infrastructure. The Group determined that it was advisable and in the best interests of the Group and its stakeholders to appoint three experienced independent and disinterested directors—Gary Begeman, John Dionne, and Michael Leffell (collectively, the "Independent Directors")—as independent directors or managers, as applicable, to the boards of directors or managers, as applicable, of Crown Finance US and 68 of its direct and indirect subsidiaries that have commenced chapter 11 cases (each such

entity, a "Designated Subsidiary," and each board thereof, a "Subsidiary Board"). The Independent Directors retained Willkie Farr & Gallagher LLP as independent counsel. On August 31, 2022, each Subsidiary Board established a special committee (each, a "Special Committee") comprised of the Independent Directors that is vested with the authority to, among other things:

- investigate, prosecute, negotiate, review, settle, and approve any claims held by or against the Subsidiary Boards, on the one hand, and certain related parties (collectively, the "Related Parties") on the other hand (the "Related Party Claims");

- discuss, consider, and review any financing transactions and/or other strategic alternatives for the Designated Subsidiaries and their stakeholders, including the possibilities of undertaking a restructuring, reorganization, and/or other recapitalization transaction (each, a "Restructuring Transaction");

- act and bind each Subsidiary Board in connection with any investigation into each Designated Subsidiary's past or current cash flow, liquidity, general financial condition, and related financing;

- request documentation and information regarding each Designated Subsidiary's business, assets, properties, liabilities, and business dealings;

- release or settle potential claims or causes of action of each Designated Subsidiary, if any, against any Related Parties; and

- regularly and timely update the boards of directors or managers, as applicable, of the Designated Subsidiaries regarding any investigations, analyses, and decisions made with regard to any Related Party Claims and provide such board with a written report detailing any investigations, analyses, and decisions made with regard to any Related Party Claims.

Conclusion

145. The commencement of these chapter 11 cases marks a pivotal moment in my family's nearly century-long involvement in the cinema industry. The chapter 11 process provides the tools necessary to give Cineworld a fresh start, as the industry continues its long march towards pre-pandemic performance. I remain confident in the future of the industry and of the Group, and I hope our approximately 30,000 employees, loyal customers, and trusted partners across the industry feel the same.

146. Every great film has an element of adversity, an obstacle to be overcome on the path to a happy ending. Cineworld's story is not yet finished.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct.

Dated: September 7, 2022

/s/ Israel Greidinger

Name: Israel Greidinger
Title: Deputy Chief Executive Officer
Cineworld Group plc